

GAO

Fact Sheet for the Honorable
Chalmers P. Wylie
Ranking Minority Member,
House Committee on Banking,
Finance and Urban Affairs

June 1986

THRIFT INDUSTRY

Net Worth and Income Capital Certificates



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035862



United States
General Accounting Office
Washington, D.C. 20548

General Government Division

B-219962

June 23, 1986

The Honorable Chalmers P. Wylie
Ranking Minority Member
Committee on Banking, Finance
and Urban Affairs
House of Representatives

Dear Mr. Wylie:

The Garn-St Germain Depository Institutions Act of 1982 requires the U.S. General Accounting Office to examine the Net Worth Certificate (NWC) Program. In fulfillment of that requirement, GAO has issued five reports that discuss various aspects of this program. Two of these reports, which were issued in September 1985 and April 1986, focus on the condition of the thrift industry and compare it with the condition of the net worth certificate participants since December 1977. In April of this year, the emergency powers provisions of the act (which include the authorization for net worth certificates) were extended through July 15, 1986. In anticipation that the program will come up for congressional consideration prior to expiration, you asked that we provide additional information on the NWC Program and its participants and on the use of income capital certificates, another tool employed by the Federal Savings and Loan Insurance Corporation (FSLIC) to support the net worth levels of thrift institutions. These data are contained in appendix I. You also requested that we update the information in our April report through the most recent quarter available. This information is contained in appendix II.¹

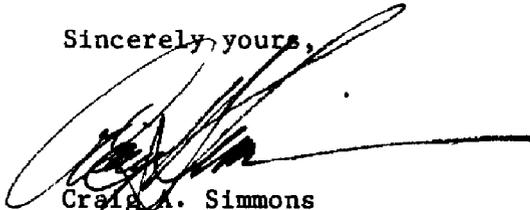
Because of the impending reauthorization deliberations on the Net Worth Certificate Program, we would be pleased to meet with you or your staff

¹Besides updating the data through December 1985, appendix II contains one other significant change from our earlier work. In previous reports the set of net worth certificate participants was comprised of 67 institutions that received NWCs prior to 1984. Two of these institutions have since been acquired by bank holding companies, and, as a result, have shown very large increases in asset size and net worth. Inclusion of these two institutions, which are no longer representative of the group, seriously affects the average values for the entire set of NWC participants. They have, therefore, been deleted from our set of eligible participants, leaving a total of 65 institutions. The effects of this change are most notable in the tables and figures showing net worth for the eligible participants. (See table II.15 and figure II.16).

at your earliest convenience to discuss the significance of the data contained in this report.

As arranged with your office, this fact sheet will be sent to the Chairmen of the House and Senate Banking Committees. It will also be distributed to other interested parties. Any questions you may have can be addressed to me at (202) 275-8678 or to Gillian G. Garcia at (202) 275-9856.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Craig A. Simmons', is written over a horizontal line. The signature is stylized and somewhat cursive.

Craig A. Simmons
Senior Associate Director

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Table I.1

The Net Worth Certificate Program
(As of May 5, 1986)

Net Worth Certificate Program
Participation (5/5/86):

Number of Institutions Holding Outstanding NWCs	118
Total NWCs Outstanding	\$270,750,000
Average Holding per Participant	\$2,294,000

Net Worth Certificates on Which
Some Payment Has Been Made:

Number of Institutions Repaying Principal	0
Number of Institutions Paying Interest	8
Total Amount Paid	\$ 1,993,000

Cancellation of NWCs
Since Start of Program:

Number of Institutions Cancelling NWCs	7
Total Amount Cancelled	\$ 7,900,000

Source: Office of the Controller, FHLBB.

Table I.2

Net Worth and Profitability of
Net Worth Certificate Program
Participants (1982-1985)

<u>GAAP net worth category^a</u>	<u>Year</u>	<u>Number of NWC participants</u>	<u>Percentage of total</u>	<u>Total assets</u> (\$ billion)	<u>Average return on assets</u>	<u>Number profitable</u>	<u>Percentage profitable</u>
Insolvent							
NW less than or equal to 0	1982	18	27.69	5.26	-1.60	0	0.00
	1983	37	56.92	8.92	-0.77	6	16.22
	1984	52	82.54	12.30	-0.78	11	21.15
	1985	44	75.86	11.13	-0.34	30	68.18
Low Net Worth							
NW between 0 and 3.0	1982	47	72.31	7.55	-1.84	1	2.13
	1983	28	43.08	5.06	-0.63	6	21.43
	1984	10	15.87	2.42	0.04	6	60.00
	1985	14	24.14	3.37	0.52	13	92.86
Adequate Net Worth							
NW greater than 3.0	1982	0	0.00	0.00	0	0	0
	1983	0	0.00	0.00	0	0	0
	1984	1	1.59	0.05	0.84	1	100.00
	1985	0	0.00	0.00	0	0	0
* * * * *							
			<u>Mergers</u>			<u>Total Number profitable</u>	<u>Percentage profitable</u>
Total of All Categories	1982	65	0			1	1.54
	1983	65	0			12	18.46
	1984	63	2			18	28.57
	1985	58	5			43	74.14

Source: FHLBB Semiannual and Quarterly Financial Statements.

Note: ^aGAAP net worth (measured under Generally Accepted Accounting Principles) as of December 31 of each year, measured as a percent of assets.

Table I.3

The Income Capital Certificate Program
(March 31, 1986)

Income Capital Certificate
Program Participation:

Number of Institutions Holding Outstanding ICCs	38
Total ICCs Outstanding	\$2,466,198,000
Average Holding per Participant	\$64,916,000

ICCs on Which Some Payment Has Been Made:

Number of Institutions Repaying Principal	1
Total Principal Repaid ^a	\$853,000
Number of Institutions Paying Interest	8
Total Amount Paid	\$23,453,000

Cancellation of ICCs Since
Start of Program:

Number of Institutions Cancelling ICCs	4
Total Amount Cancelled	\$147,500,000

Source: Federal Savings and Loan Insurance Corporation.

Note: ^aThis represented a partial payment on a \$35.0 million ICC.

Table I.4

Income Capital Certificates (ICCs) 1981-1986
(in thousand of dollars)

	<u>1981</u>	1982	1983	<u>1984</u>	<u>1985</u>	<u>1986 through March 31</u>	<u>Cumulative totals March 31, 1986</u>
New ICCs Issued Each Year	\$84,000	\$379,800	\$369,800	\$72,014	\$1,662,518	\$75,919	N/A
Number of Institutions Receiving ICCs	3	6	8	5	27	1	N/A
ICCs Cancelled		\$22,000		\$125,500			\$147,500
ICCs Converted to NWCs		\$29,500					\$29,500
ICCs Repaid				\$853			\$853
ICCs Outstanding	\$84,000	\$412,300	\$782,100	\$727,761	\$2,390,279	\$2,466,198	\$2,466,198
Numbers of Institutions Holding Outstanding ICCs	3	7	11	12	38	38	38
New ICCs Funded with Cash from FSLIC ^a		\$105,000	\$35,200	\$63,400	\$65,254		\$268,854
Total Loss Reserves as of 3/31/86							\$839,418
Total Cash Outlays and Loss Reserves (3/31/86)							\$1,108,272
Total Cash Outlays and Loss Reserves as a percent of total ICCs							44.9%

Source: FSLIC.

Note: ^aIn 1985, ICCs in the amount of \$1.5 million were purchased with FSLIC assets rather than cash. That is, assets from other receiverships priced at their market value were exchanged for ICCs issued to FSLIC. In terms of the cost to FSLIC, this transaction is essentially similar to an ICC purchase funded by cash. It has, therefore, been included in this total.

Table I.5

Net Worth and Profitability of
All FSLIC-Insured Institutions
(1982-1985)

<u>GAAP net worth category^a</u>	<u>Year</u>	<u>Number of institutions</u>	<u>Percentage</u>	<u>Total assets</u> (\$ billions)	<u>Average return on assets</u>	<u>Number profitable</u>	<u>Percentage profitable</u>
Insolvent							
NW less than or equal to 0	1982	220	6.70	58.41	-2.05	13	5.91
	1983	280	8.90	76.66	-0.84	103	36.79
	1984	433	13.82	101.51	-0.67	178	41.11
	1985	449	13.84	112.93	-1.17	213	47.44
Low Net Worth							
NW between 0 and 3.0	1982	916	27.88	218.69	-0.88	149	16.27
	1983	924	29.38	238.72	0.03	495	53.57
	1984	909	29.00	382.12	0.11	590	64.91
	1985	730	22.50	291.48	0.25	550	75.34
Adequate Net Worth							
NW greater than 3.0	1982	2150	65.43	409.07	-0.35	661	30.74
	1983	1941	61.72	498.98	0.44	1466	75.53
	1984	1792	57.18	494.47	0.54	1539	85.88
	1985	2066	63.67	665.09	0.80	1813	87.75
Total of All Categories							
	1982	3286	100.00	686.17	—	823	25.05
	1983	3145	100.00	814.36	—	2064	65.63
	1984	3134	100.00	978.10	—	2307	73.61
	1985	3245	100.00	1069.50	—	2576	79.38

Source FHLBB Semiannual and Quarterly Financial Statements.

Note ^aGAAP net worth as of December 31 of each year, measured as a percent of assets.

Table II.1

Mortgage Assets of All FSLIC-Insured
Institutions (1977-1985)^a

	<u>Percentages of Total Assets</u>		
	<u>Mortgage loans^b</u>	<u>Mortgage-backed securities^c</u>	<u>Net mortgage loans and contracts^d</u>
1977.2 ^e	85.38	2.91	85.63
1978.1	85.36	3.13	86.07
2	84.77	3.23	85.90
1979.1	83.99	3.39	85.36
2	83.71	3.59	85.66
1980.1	82.04	3.87	84.82
2	81.12	4.43	84.25
1981.1	80.66	4.73	84.28
2	79.06	5.13	83.01
1982.1	75.84	6.96	80.83
2	71.45	8.90	77.29
1983.1	68.00	10.65	75.14
2	67.38	11.37	74.65
1984.1 ^f	66.29	11.91	74.10
2	66.10	12.29	74.20
3	65.99	12.19	74.07
4	64.60	11.54	72.24
1985.1	64.65	11.47	72.36
2	65.00	10.53	71.78
3	64.59	11.13	72.10
4	63.78	10.72	71.09

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1985.

Notes. ^aData are presented in this appendix for three groups of institutions--the industry, or all FSLIC-insured institutions; net worth certificate participants, a group of 65 institutions that received NWCs prior to 1984, and eligible nonparticipants, 577 institutions that were potentially eligible to participate in the program, but did not. In the following figures these groups are abbreviated respectively as ALL, EP, (Eligible Participants) and ENP (Eligible Nonparticipants).

^bMortgage loans include Federal Housing Administration, Veterans Administration, and other insured or guaranteed loans plus conventional mortgage loans.

^cIncludes insured, guaranteed, and conventional mortgage-backed securities.

^dThe sum of mortgage loans and mortgage-backed securities, less contra-assets to mortgage loans.

^eData are available semiannually through 1983.

^fData are available quarterly for 1984 and 1985.

Table II.2

Mortgage Assets of Net Worth
Certificate Participants (1977-1985)^a

	Percentages of Total Assets		
	Mortgage loans ^b	Mortgage-backed securities ^c	Net mortgage loans and contracts ^d
1977.2 ^e	81.29	5.36	84.78
1978.1	80.08	6.66	85.27
2	78.85	7.29	84.74
1979.1	78.06	8.20	85.02
2	77.45	8.72	85.28
1980.1	76.00	9.07	84.42
2	75.56	9.53	84.36
1981.1	75.72	9.62	84.77
2	75.24	9.77	84.32
1982.1	73.75	9.71	82.59
2	71.80	9.28	79.47
1983.1	68.53	11.23	78.21
2	67.64	12.45	78.14
1984.1 ^f	66.74	12.53	77.10
2	67.18	12.97	77.82
3	67.33	12.84	78.04
4	65.01	12.82	75.69
1985.1	64.90	11.99	75.06
2	65.28	10.94	74.20
3	65.32	11.18	74.49
4	65.34	11.31	74.71

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1985.

Notes: ^aOur set of net worth certificate participants consists of 65 institutions that received Net Worth Certificates prior to 1984. Two other institutions that received NWCs early in the program are not included in our set because the FHLBB did not inform us of their participation. Previous versions of this data also included two additional institutions which have been dropped from the analysis in this report. These thrifts were acquired by bank holding companies after September 1984. Because of dramatic changes in their asset size and net worth, including these institutions would seriously affect the average values for all eligible participants. We have also deleted some institutions from our list because they acquired their NWCs through merger and may not, themselves, have been eligible to participate in the program.

^bMortgage loans include FHA/VA and other insured or guaranteed loans plus conventional mortgage loans.

^cIncludes insured, guaranteed, and conventional mortgage-backed securities.

^dThe sum of mortgage loans and mortgage-backed securities, less contra-assets to mortgage loans.

^eData are available semiannually through 1983.

^fData are available quarterly for 1984 and 1985.

Table II.3

Mortgage Assets of Eligible
Nonparticipants (1977-1985)

	<u>Percentages of Total Assets</u>		
	<u>Mortgage loans^a</u>	<u>Mortgage-backed securities^b</u>	<u>Net mortgage loans and contracts^c</u>
1972.2 ^d	84.47	3.54	85.39
1978.1	84.72	3.74	85.89
2	84.18	3.90	85.83
1979.1	83.37	4.80	85.25
2	83.50	4.25	85.88
1980.1	81.74	4.02	85.20
2	79.99	5.75	84.35
1981.1	79.31	6.13	84.24
2	77.38	6.89	83.15
1982.1	73.36	9.13	79.76
2	68.46	11.40	76.50
1983.1	64.46	13.38	74.32
	63.83	14.54	74.09
1984.1 ^e	61.92	14.80	72.29
2	61.15	15.24	71.88
3	60.64	14.88	71.10
4	59.74	14.35	69.94
1985.1	59.90	14.40	70.46
2	60.36	13.46	70.00
3	59.52	14.13	70.01
4	58.90	13.66	69.19

Source. FHLBB Semiannual and Quarterly Financial Statements, 1977-1985.

Notes: ^aMortgage loans include FHA/VA and other insured or guaranteed loans plus conventional mortgage loans.

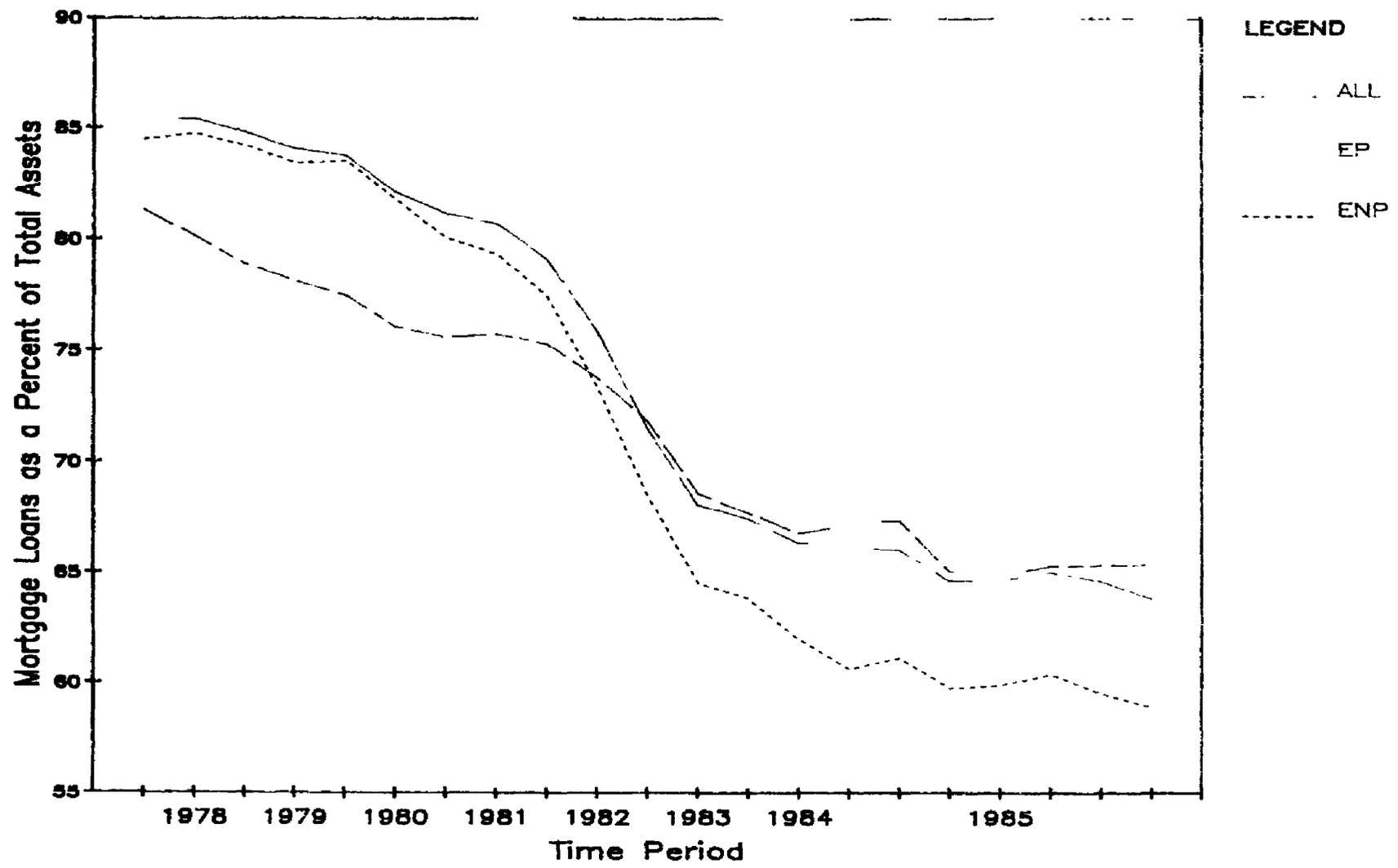
^bIncludes insured, guaranteed, and conventional mortgaged-backed securities.

^cThe sum of mortgage loans and mortgage-backed securities, less contra-assets to mortgage loans.

^dData are available semiannually through 1983.

^eData are available quarterly for 1984 and 1985.

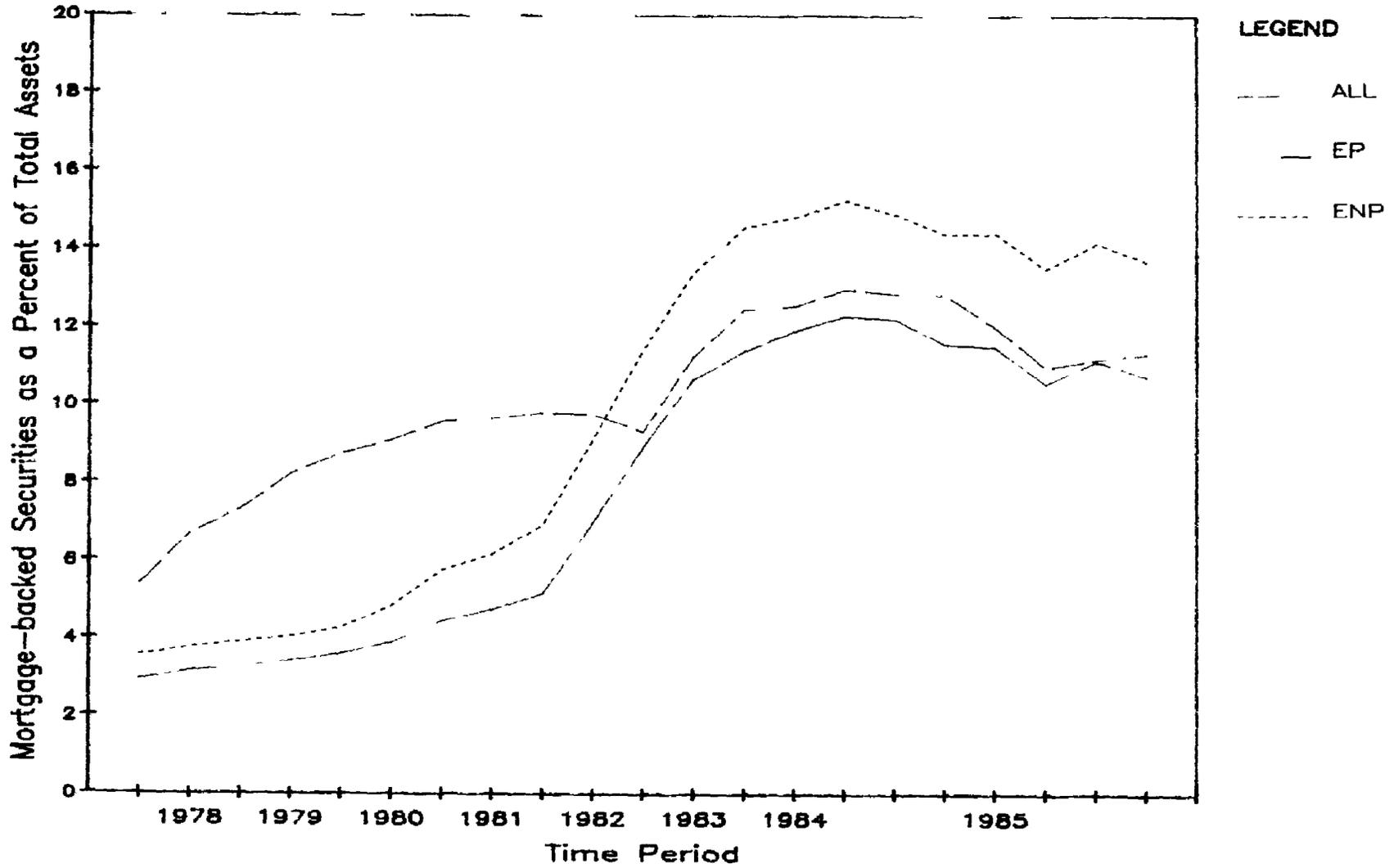
Figure II.1
MORTGAGE LOANS AS A PERCENTAGE OF TOTAL ASSETS



Source: Tables II.1, II.2, and II.3

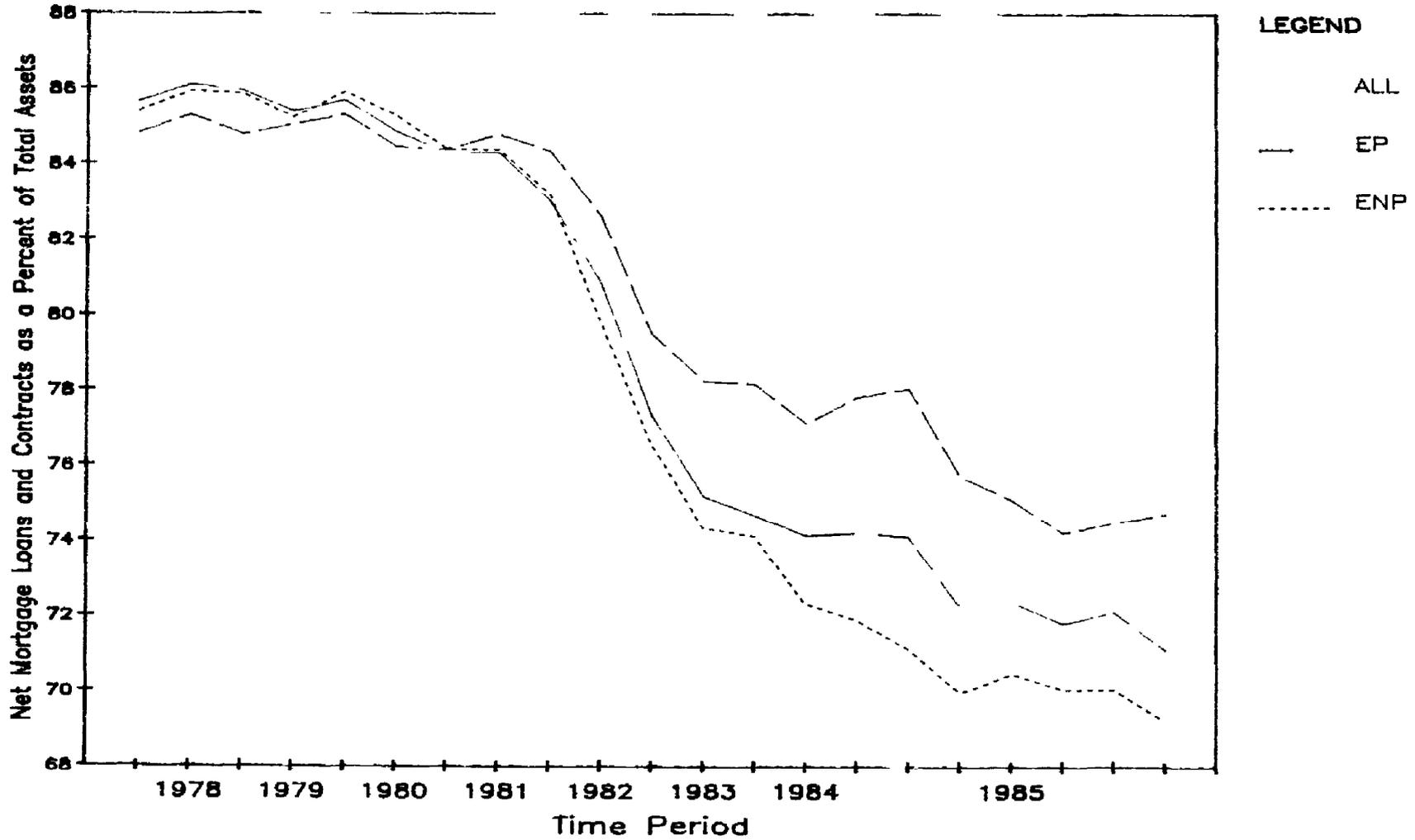
Figure II.2

MORTGAGE-BACKED SECURITIES AS A PERCENTAGE OF TOTAL ASSETS



Source: Tables II.1, II.2, and II.3

Figure II.3
NET MORTGAGE LOANS AND CONTRACTS
AS A PERCENTAGE OF TOTAL ASSETS



Source: Tables II.1, II.2, and II.3

Table II.4

Nonmortgage Assets of All FSLIC-Insured Institutions (1977-1985)

	Percentages of Total Assets						
	Total non-mortgage assets ^a	Commercial loans ^b	Consumer loans ^c	Liquid assets ^d	Fixed assets ^e	Goodwill ^f	Service corps. and subsidiaries ^g
1977.2 ^h	14.37	0.07	2.27	8.78	1.37	0.02	0.33
1978.1	13.93	0.10	2.08	8.68	1.33	0.02	0.34
2	14.10	0.11	2.18	8.73	1.31	0.02	0.35
1979.1	14.64	0.16	2.22	9.07	1.30	0.02	0.38
2	14.34	0.21	2.62	8.27	1.32	0.02	0.38
1980.1	15.18	0.24	2.70	8.93	1.36	0.03	0.41
2	15.75	0.29	2.78	9.27	1.37	0.03	0.48
1981.1	15.72	0.10	2.82	9.12	1.40	0.04	0.54
2	16.99	0.08	2.78	9.53	1.41	0.37	0.63
1982.1	19.17	0.08	2.73	10.38	1.39	1.21	0.71
2	22.71	0.11	2.88	11.75	1.47	2.41	0.80
1983.1	24.86	0.23	2.95	13.85	1.42	2.43	0.90
2	25.35	0.40	3.13	13.48	1.39	2.67	1.01
1984.1 ⁱ	25.90	0.52	3.11	13.79	1.36	2.59	1.24
2	25.80	0.76	3.18	13.12	1.33	2.48	1.48
3	25.93	0.87	3.37	12.86	1.31	2.47	1.61
4	27.76	1.15	3.50	13.98	1.28	2.44	1.67
1985.1	27.64	1.23	3.68	13.40	1.29	2.41	1.80
2	28.22	1.35	3.96	13.18	1.29	2.45	1.92
3	27.90	1.39	4.11	12.59	1.28	2.39	2.00
4	28.91	1.53	4.21	13.40	1.28	2.33	1.99

Source. FHLBB Semiannual and Quarterly Financial Statements, 1977-1985.

Notes: ^aDerived as 100 less the percentage of assets held as net mortgage loans and contracts (table II.1, column 3).

^bIncludes both secured and unsecured loans.

^cIncludes loans on deposits, house improvement loans, education loans, consumer auto loans, other closed-end consumer loans, credit card and other open-end consumer credit, and retail mobile home loans.

^dIncludes cash and demand deposits, U.S. government and agency securities, other investments, accrued interest receivable, less valuation allowances.

^eIncludes office buildings and land, leasehold improvements; appraisal increment; furniture, fixtures, and equipment (net); less valuation allowances.

^fGoodwill and other intangible assets.

^gService corporation and subsidiaries in which the thrift has 20 percent or greater ownership.

^hData are available semiannually through 1983.

ⁱData are available quarterly in 1984 and 1985.

Table II.5

Nonmortgage Assets of Net Worth
Certificate Participants (1977-1985)^a

	Percentages of Total Assets						
	<u>Total non-</u> <u>mortgage</u> <u>assets^b</u>	<u>Commercial</u> <u>loans^c</u>	<u>Consumer</u> <u>loans^d</u>	<u>Liquid</u> <u>assets^e</u>	<u>Fixed</u> <u>assets^f</u>	<u>Goodwill^g</u>	<u>Service</u> <u>corps and</u> <u>subsidiaries^h</u>
1977.2 ¹	15.22	0.03	2.20	9.67	1.36	0.00	0.33
1978.1	14.73	0.04	2.18	9.44	1.34	0.00	0.33
2	15.26	0.05	2.28	9.84	1.33	0.00	0.32
1979.1	14.98	0.06	2.40	9.61	1.34	0.00	0.35
2	14.72	0.06	2.82	8.94	1.34	0.00	0.30
1980.1	15.58	0.06	3.02	9.63	1.35	0.00	0.29
2	15.64	0.06	3.01	9.57	1.36	0.00	0.30
1981.1	15.23	0.03	2.89	9.03	1.39	0.02	0.34
2	15.68	0.03	2.93	8.17	1.40	0.02	0.37
1982.1	17.41	0.03	2.75	9.04	1.37	0.38	0.42
2	20.53	0.02	2.90	9.59	1.65	1.08	0.52
1983.1	21.79	0.05	3.05	10.97	1.63	1.26	0.56
2	21.86	0.18	3.46	10.20	1.70	1.38	0.54
1984.1 ^J	22.90	0.34	3.37	11.07	1.64	1.32	0.48
2	22.18	0.44	3.50	10.24	1.49	1.29	0.51
3	21.96	0.47	3.63	9.90	1.44	1.25	0.56
4	24.31	0.47	4.02	11.47	1.39	1.31	0.60
1985.1	24.94	0.52	4.16	11.96	1.38	1.26	0.56
2	25.80	0.61	4.42	12.31	1.37	1.27	0.52
3	25.51	0.72	4.52	11.88	1.33	1.26	0.55
4	25.29	0.81	4.37	11.37	1.31	1.26	0.69

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1985.

Notes: ^aSee table II.2, note ^a for a description of our set of Net Worth Certificate Participants.

^bDerived as 100 less the percentage of assets held as net mortgage loans and contracts (table II.2, column 3).

^cIncludes both secured and unsecured loans.

^dIncludes loans on deposits, house improvement loans, education loans, consumer auto loans, other closed-end consumer loans, credit card and other open-end consumer credit, and retail mobile home loans.

^eIncludes cash and demand deposits, U.S. government and agency securities, other investments, accrued interest receivable, less valuation allowances.

^fIncludes office buildings and land, leasehold improvements; appraisal increment; furniture, fixtures, and equipment (net), less valuation allowances.

^gGoodwill and other intangible assets.

^hService corporation and subsidiaries in which the thrift has 20 percent or greater ownership.

¹Data are available semiannually through 1963.

^JData are available quarterly in 1984 and 1985.

Table II.6

Nonmortgage Assets of Eligible Nonparticipants (1977-1985)

	Percentages of Total Assets						
	Total non-mortgage assets ^a	Commercial loans ^b	Consumer loans ^c	Liquid assets ^d	* Fixed assets ^e	Goodwill ^f	Service corps and subsidiaries ^g
1977.2 ^h	14.61	0.09	2.20	9.01	1.46	0.01	0.40
1978.1	14.11	0.08	2.07	8.86	1.42	0.01	0.40
2	14.17	0.08	2.16	8.86	1.38	0.01	0.40
1979.1	14.80	0.08	2.25	9.38	1.35	0.01	0.41
2	14.12	0.11	2.63	8.23	1.36	0.01	0.41
1980.1	14.75	0.11	2.79	8.64	1.40	0.03	0.42
2	15.65	0.18	2.94	9.28	1.38	0.03	0.51
1981.1	15.76	0.20	2.93	9.07	1.42	0.04	0.54
2	16.85	0.17	3.07	9.01	1.43	0.41	0.66
1982.1	20.24	0.10	2.96	10.17	1.38	2.10	0.77
2	23.50	0.13	3.05	11.33	1.45	3.19	0.81
1983.1	25.68	0.35	3.05	13.46	1.44	3.19	0.90
2	25.91	0.53	3.40	12.91	1.42	3.40	0.96
1984.1 ⁱ	27.71	0.56	3.46	14.15	1.37	3.59	1.05
2	28.12	0.72	3.60	14.03	1.34	3.44	1.27
3	28.90	0.92	3.85	14.35	1.30	3.47	1.20
4	30.06	1.26	3.90	14.86	1.26	3.44	1.35
1985.1	29.54	1.35	4.05	14.02	1.27	3.34	1.44
2	30.00	1.49	4.26	13.70	1.29	3.33	1.55
3	29.99	1.42	4.46	13.30	1.26	3.25	1.66
4	30.81	1.54	4.76	14.04	1.22	3.21	1.61

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1985.

Notes: ^aDerived as 100 less the percentage of assets held as net mortgage loans and contracts (table II.3, column 3).

^bIncludes both secured and unsecured loans.

^cIncludes loans on deposits, house improvement loans, education loans, consumer auto loans, other closed-end consumer loans, credit card and other open-end consumer credit, and retail mobile home loans.

^dIncludes cash and demand deposits, U.S. government and agency securities, other investments, accrued interest receivable, less valuation allowances.

^eIncludes office buildings and land, leasehold improvements; appraisal increment, furniture, fixtures, and equipment (net); less valuation allowances.

^fGoodwill and other intangible assets.

^gService corporation and subsidiaries in which the thrift has 20 percent or greater ownership.

^hData are available semiannually through 1983.

ⁱData are available quarterly in 1984 and 1985.

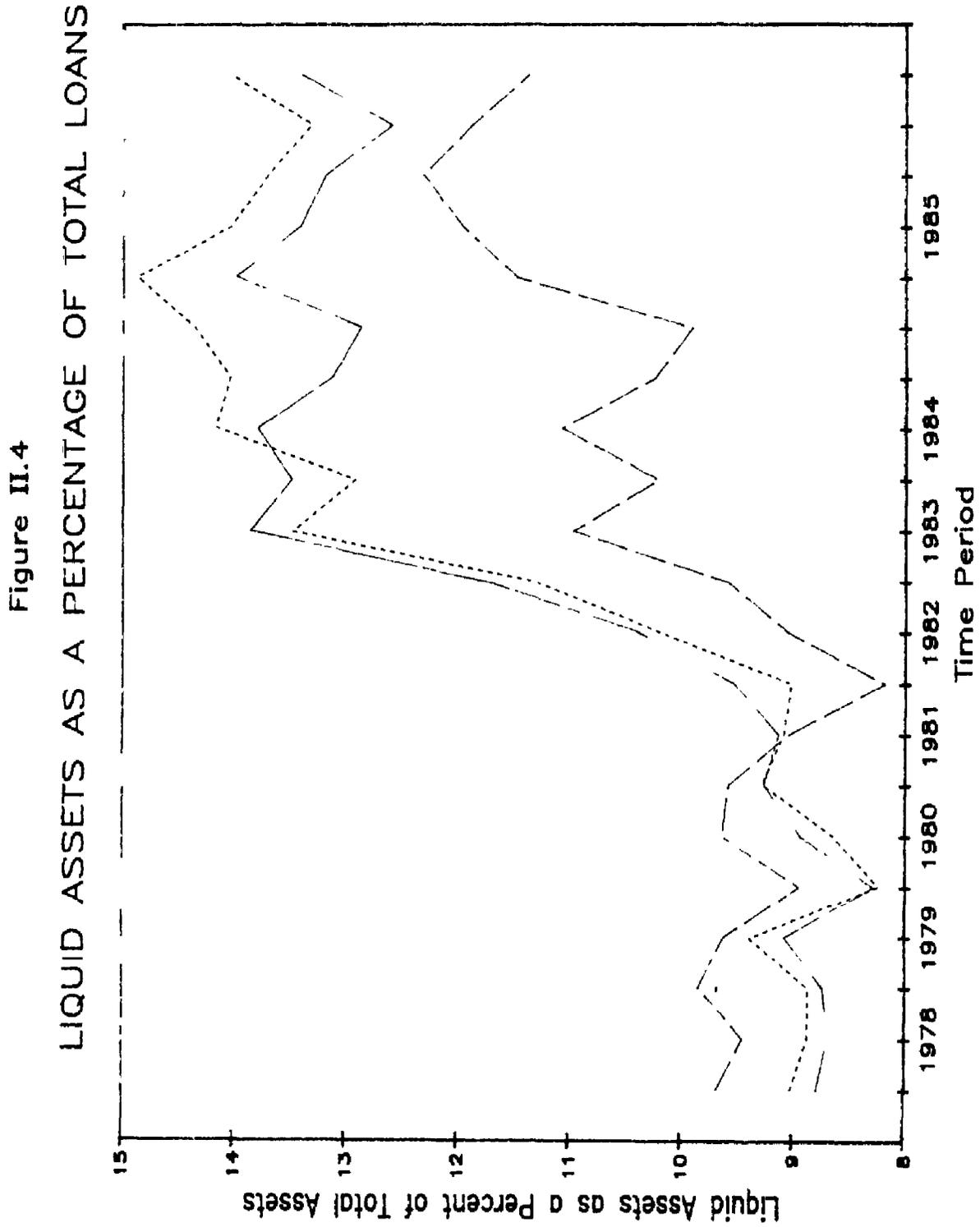
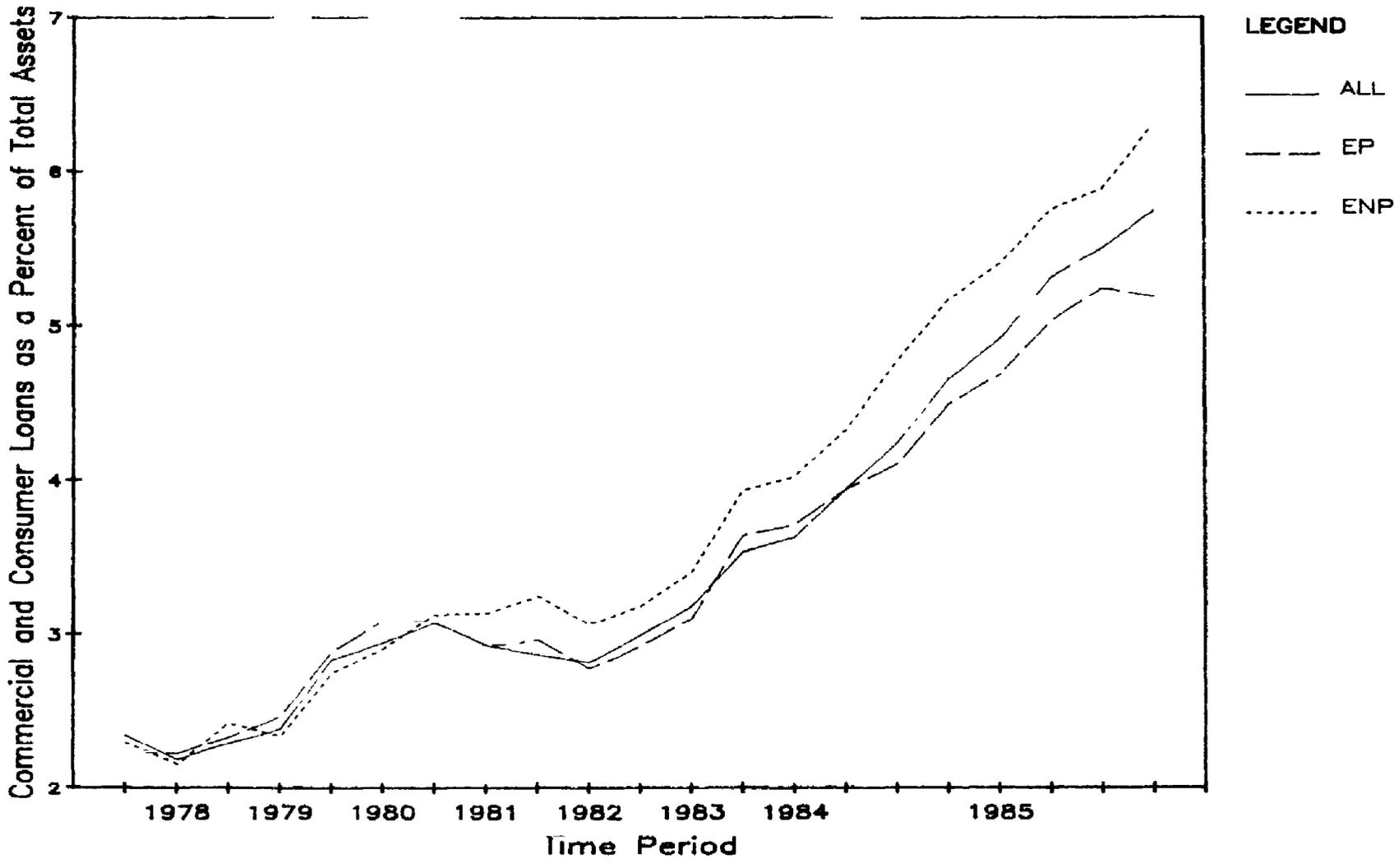
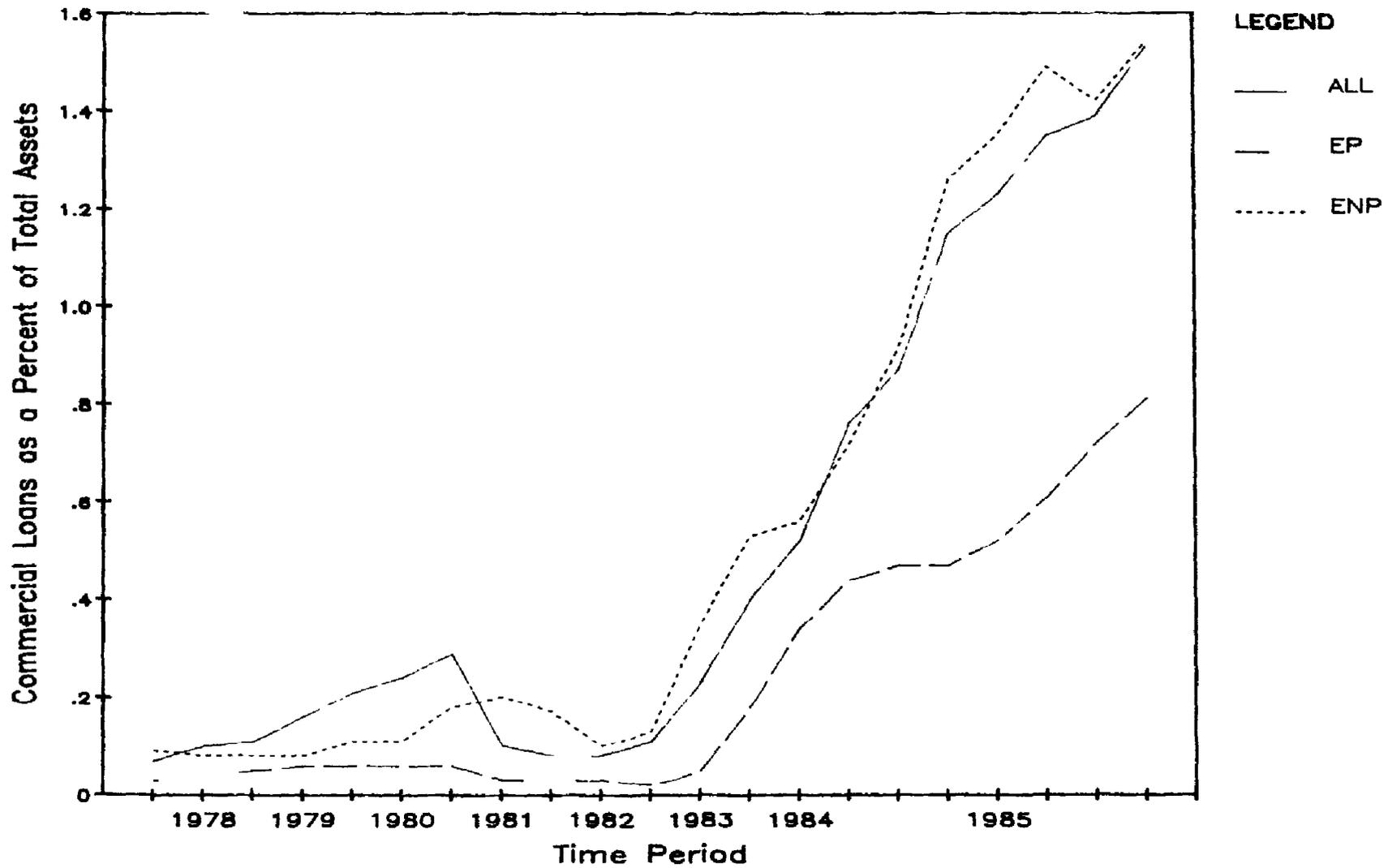


Figure II.5
COMMERCIAL AND CONSUMER LOANS
AS A PERCENTAGE OF TOTAL ASSETS

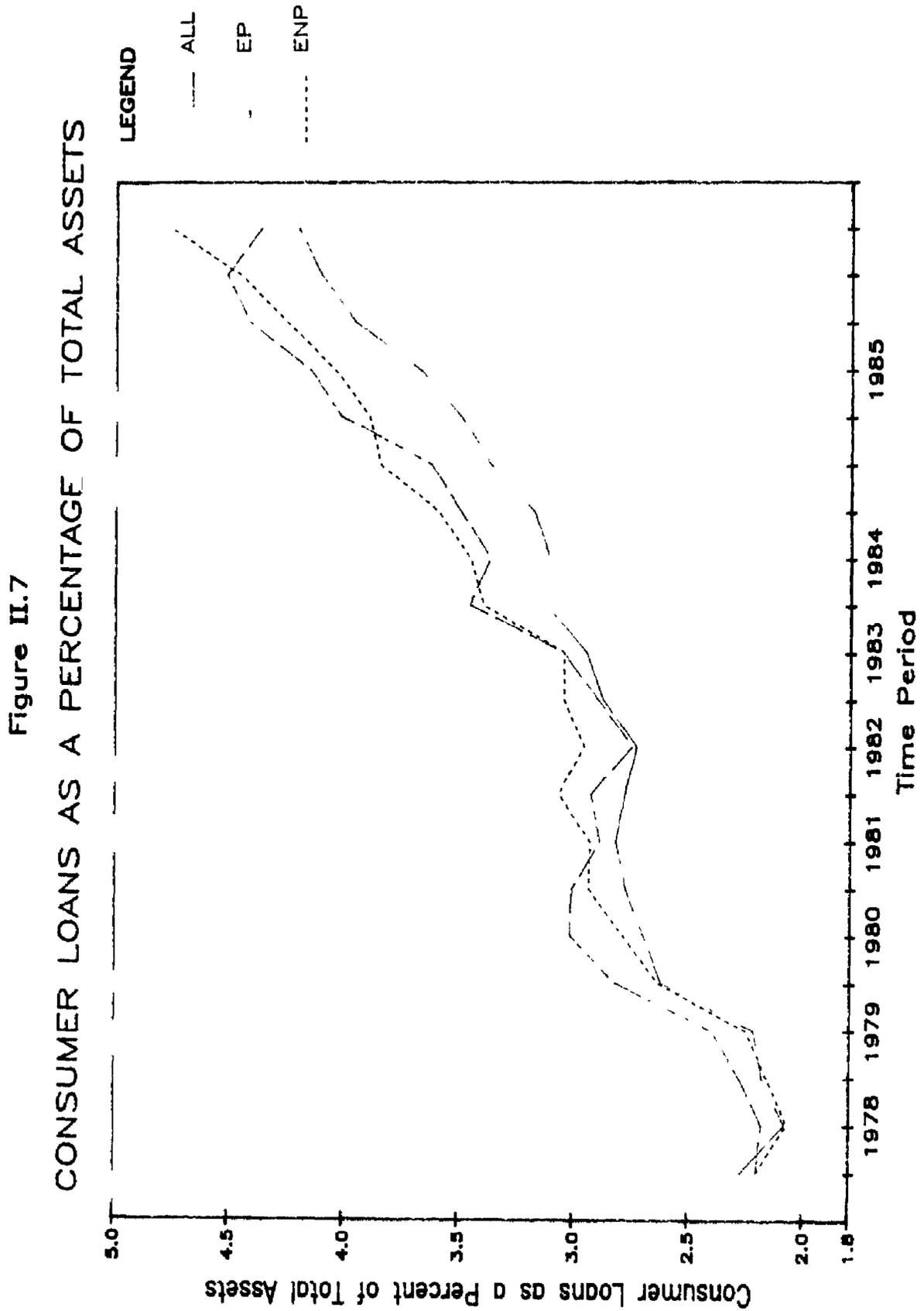


Source: Tables II.4, II.5, and II.6

Figure II.6
COMMERCIAL LOANS AS A PERCENTAGE OF TOTAL ASSETS



Source: Tables II.4, II.5, and II.6



Source: Tables II.4, II.5, and II.6

Table II.7

Holdings of Fixed and Adjustable Rate Mortgages (1977-1985)^a

	Percentages of Total Assets					
	Adjustable Rate Mortgages			Fixed Rate Mortgages		
	All ^b	Parti- cipants	Nonparti- cipants	All ^b	Parti- cipants	Nonparti- cipants
1977.2 ^c				86.02	85.19	85.79
1978.1				86.04	85.37	85.90
2				85.85	84.81	85.81
1979.1				85.29	85.08	85.16
2				85.56	85.26	85.80
1980.1				81.03	84.12	82.58
2				79.97	83.25	82.02
1981.1				78.99	82.75	80.78
2				77.87	82.23	79.47
1982.1	5.72	2.56	4.30	76.02	80.23	77.31
2	6.82	3.21	5.19	72.11	77.25	73.58
1983.1	7.33	4.01	5.57	69.22	74.81	70.57
2	9.36	5.87	6.59	66.69	73.09	69.46
1984.1 ^d	16.49	12.52	12.76	58.65	65.29	61.00
2	19.51	14.84	15.71	55.83	63.69	57.99
3	21.92	17.42	18.16	53.24	61.23	54.72
4	23.75	18.89	19.82	49.49	57.37	51.76
1985.1	25.08	19.82	21.28	48.17	55.72	50.57
2	26.89	21.03	23.01	45.72	53.68	48.30
3	28.03	22.01	23.83	44.81	52.94	47.38
4	28.64	23.04	24.29	43.12	52.00	46.06

Source FHLBB Semiannual and Quarterly Financial Statements, 1977-1985.

Notes: ^aSee table II.2, note ^a for a description of our set of Net Worth Certificate Participants.

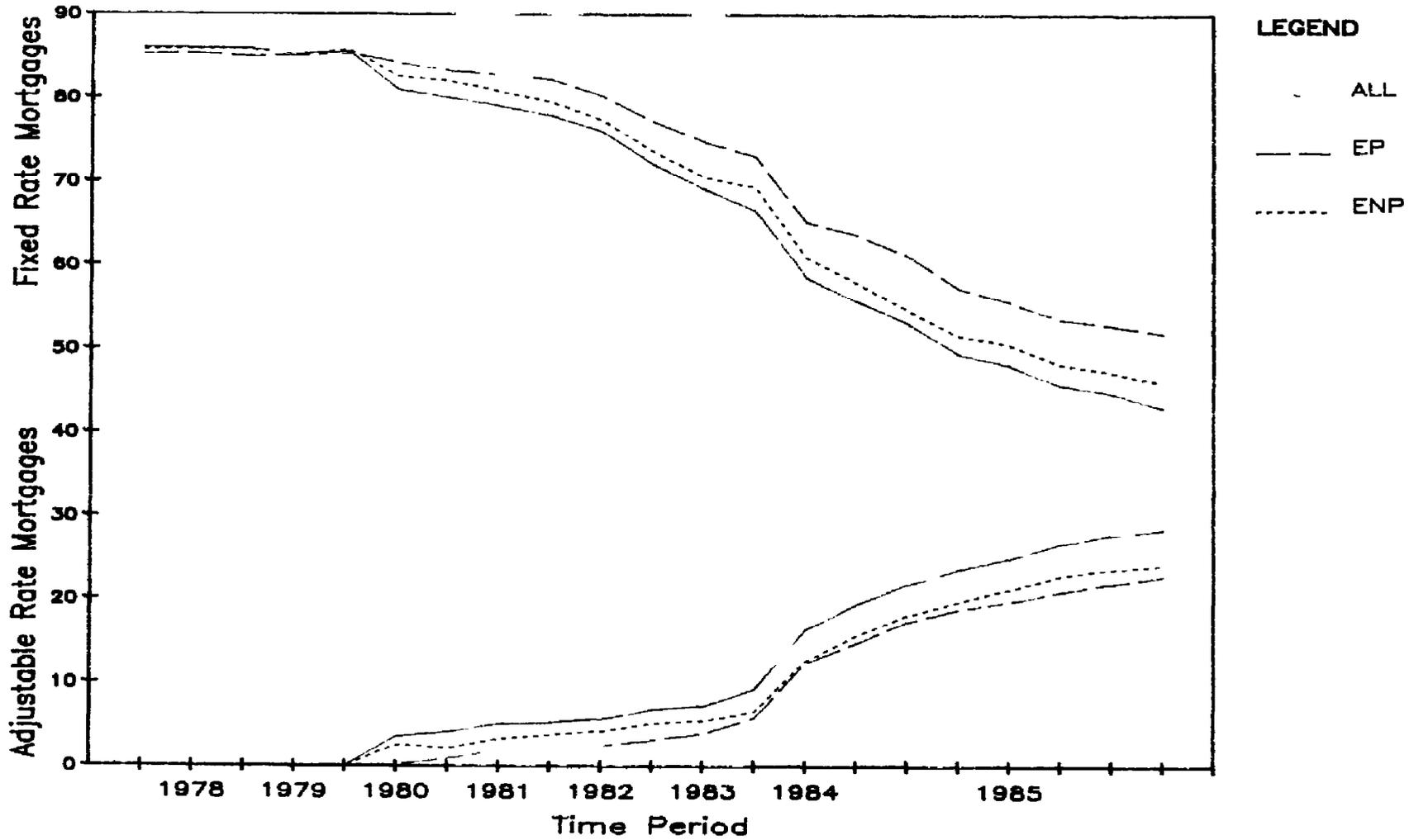
^bAll FSLIC-Insured Institutions.

^cData are available semiannually through 1983.

^dData are available quarterly during 1984 and 1985.

Figure II.8

HOLDINGS OF FIXED AND ADJUSTABLE RATE MORTGAGES AS A PERCENTAGE OF TOTAL ASSETS



Source: Table II.7

Table II.8

Sources of Funding: All FSLIC-Insured Institutions (1977-1985)

Period	Percentages of Total Assets						Total ^e
	Deposits ^a	Borrowings		Other liabilities ^c	Total liabilities ^d	Regulatory net worth	
		FHLB advances	Other borrowed money ^b				
1977.2 ^f	86.87	4.49	1.72	1.29	94.38	5.62	100.00
1978.1	85.78	5.25	1.95	1.38	94.36	5.64	100.00
2	84.53	6.36	2.08	1.37	94.34	5.66	100.00
1979.1	84.00	6.40	2.44	1.52	94.35	5.65	100.00
2	82.89	7.24	2.64	1.53	94.30	5.70	100.00
1980.1	83.10	7.13	2.49	1.67	94.40	5.60	100.00
2	82.60	7.71	2.79	1.54	94.64	5.36	100.00
1981.1	81.54	8.50	3.25	1.76	95.05	4.95	100.00
2	80.11	9.76	4.06	1.72	95.65	4.35	100.00
1982.1	79.80	10.07	4.45	1.91	96.22	3.78	100.00
2	80.14	9.30	4.95	1.91	96.31	3.69	100.00
1983.1	82.35	7.66	4.20	1.97	96.18	3.82	100.00
2	81.93	7.03	5.05	1.97	95.98	4.02	100.00
1984.1 ^g	82.10	6.54	5.50	1.87	96.00	4.00	100.00
2	80.86	7.00	6.20	2.00	96.06	3.94	100.00
3	80.11	7.48	6.56	2.00	96.14	3.86	100.00
4	80.22	7.33	6.75	1.83	96.13	3.87	100.00
1985.1	80.76	7.22	6.19	1.90	96.07	3.93	100.00
2	80.73	7.49	5.48	2.10	95.81	4.19	100.00
3	79.79	7.82	6.08	2.09	95.78	4.22	100.00
4	78.91	7.89	6.78	2.04	95.62	4.38	100.00

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1985.

Notes ^aDeposits include all transaction, savings, and time deposits.

^bIncludes commercial bank loans, repurchase agreements, consumer retail repurchase agreements, overdrafts in demand deposits, commercial paper issued, subordinated debentures not qualifying for net worth, mortgage-backed bond issued, and other borrowings.

^cIncludes accrued interest payable, interest accrued or declared on deposits; dividends payable on permanent, reserve, or guaranty stock; accrued taxes; accounts payable; advance payments by borrowers for taxes and insurance; financial options fees received; other liabilities; deferred net gains (losses) on futures/options hedging liabilities; deferred federal and other income taxes.

^dThe sum of deposits, FHLB advances, other borrowed money, and other liabilities.

^eTotal may not sum to 100.00 because of rounding.

^fData are available semiannually through 1983.

^gData are available quarterly in 1984 and 1985.

Table II.9

Sources of Funding Net Worth Certificate Participants (1977-1985)^a

Period	Percentages of Total Assets						Total ^f
	Deposits ^b	Borrowings		Other liabilities ^d	Total liabilities ^e	Regulatory net worth	
		FHLB advances	Other borrowed money ^c				
1977.2 ^g	87.89	3.90	1.88	1.39	95.07	4.93	99.99
1978.1	87.07	4.79	2.03	1.20	95.08	4.92	100.01
2	85.68	5.45	2.62	1.32	95.07	4.93	100.01
1979.1	86.03	5.19	2.58	1.26	95.06	4.94	100.01
2	83.71	7.38	2.52	1.43	95.04	4.96	100.00
1980.1	84.45	6.60	2.85	1.37	95.27	4.73	100.00
2	84.12	7.32	2.66	1.47	95.57	4.43	100.00
1981.1	84.22	7.93	2.70	1.37	96.23	3.77	100.00
2	83.71	8.87	2.87	1.55	97.00	3.00	100.00
1982.1	84.77	9.05	2.47	1.64	97.93	2.07	100.00
2	86.49	8.34	2.15	1.38	98.36	1.64	100.00
1983.1	88.70	6.71	1.63	1.38	98.42	1.58	100.00
2	87.38	6.21	3.34	1.46	98.40	1.60	100.00
1984.1 ^h	86.80	6.27	4.00	1.40	98.46	1.54	100.00
2	85.76	7.33	3.84	1.55	98.48	1.52	100.00
3	84.68	7.85	4.40	1.63	98.56	1.44	100.00
4	85.15	7.39	4.29	1.65	98.47	1.53	100.00
1985.1	86.18	7.13	3.72	1.49	98.52	1.48	100.00
2	86.70	7.28	2.88	1.55	98.41	1.59	100.00
3	86.07	7.27	3.41	1.63	98.38	1.62	100.00
4	85.61	7.59	3.55	1.54	98.29	1.71	100.00

Source FHLBB Semiannual and Quarterly Financial Statements, 1977-1985.

Notes: ^aSee table II.2, note ^a for a description of our set of Net Worth Certificate Participants.

^bDeposits include all transaction, savings and time deposits.

^cIncludes commercial bank loans; repurchase agreements, consumer retail repurchase agreements, overdrafts in demand deposits, commercial paper issued, subordinated debentures not qualifying for net worth, mortgage-backed bonds issued, and other borrowings.

^dIncludes accrued interest payable; interest accrued or declared on deposits; dividends payable on permanent, reserve or guaranty stock, accrued taxes; accounts payable; advance payments by borrowers for taxes and insurance; financial options fees received; other liabilities; deferred net gains (losses) on futures/options hedging liabilities, deferred federal and other income taxes.

^eThe sum of deposits; FHLB advances; other borrowed money and other liabilities.

^fTotal may not sum to 100.00 because of rounding.

^gData are available semiannually through 1983.

^hData are available quarterly in 1984 and 1985.

Table II.10

Sources of Funding: Eligible Nonparticipants (1977-1985)

Period	Percentages of Total Assets						
	Deposits ^a	Borrowings		Other liabilities ^c	Total liabilities ^d	Regulatory net worth	Total ^e
		FHLB advances	Other borrowed money ^b				
1977.2 ^f	87.73	4.46	1.64	1.31	95.14	4.86	100.00
1978.1	86.55	5.17	2.02	1.41	95.16	4.84	100.00
2	84.92	6.74	2.17	1.34	95.17	4.83	100.00
1979.1	84.59	6.77	2.29	1.56	95.21	4.79	100.00
2	83.38	7.74	2.53	1.51	95.17	4.83	100.00
1980.1	83.71	7.56	2.37	1.71	95.35	4.65	100.00
2	82.41	8.38	3.38	1.50	95.67	4.33	100.00
1981.1	80.75	9.44	4.21	1.74	96.14	3.86	100.00
2	79.28	10.68	5.12	1.74	96.82	3.18	100.00
1982.1	78.32	11.26	6.17	1.84	97.59	2.41	100.00
2	79.40	10.79	5.87	1.74	97.81	2.19	100.00
1983.1	81.32	9.53	4.87	1.86	97.58	2.42	100.00
2	80.69	8.99	5.84	1.76	97.28	2.72	100.00
1984.1 ^g	80.33	8.47	6.66	1.80	97.26	2.74	100.00
2	78.14	8.79	8.32	2.06	97.31	2.69	100.00
3	77.80	9.27	8.26	2.00	97.32	2.68	100.00
4	77.86	9.06	8.71	1.69	97.32	2.68	100.00
1985.1	78.75	9.12	7.44	2.01	97.32	2.68	100.00
2	78.81	9.72	6.21	2.30	97.04	2.96	100.00
3	77.65	10.24	7.26	1.95	97.10	2.90	100.00
4	76.49	10.26	8.18	1.90	96.83	3.17	100.00

Source. FHLBB Semiannual and Quarterly Financial Statements, 1977-1985.

Notes: ^aDeposits include all transaction, savings and time deposits.

^bIncludes commercial bank loans, repurchase agreements, consumer retail repurchase agreements, overdrafts in demand deposits, commercial paper issued, subordinated debentures not qualifying for net worth, mortgage-backed bonds issued, and other borrowings.

^cIncludes accrued interest payable; interest accrued or declared on deposits; dividends payable on permanent, reserve or guaranty stock; accrued taxes; accounts payable; advance payments by borrowers for taxes and insurance; financial options fees received; other liabilities; deferred net gains (losses) on futures/options hedging liabilities, deferred federal and other income taxes.

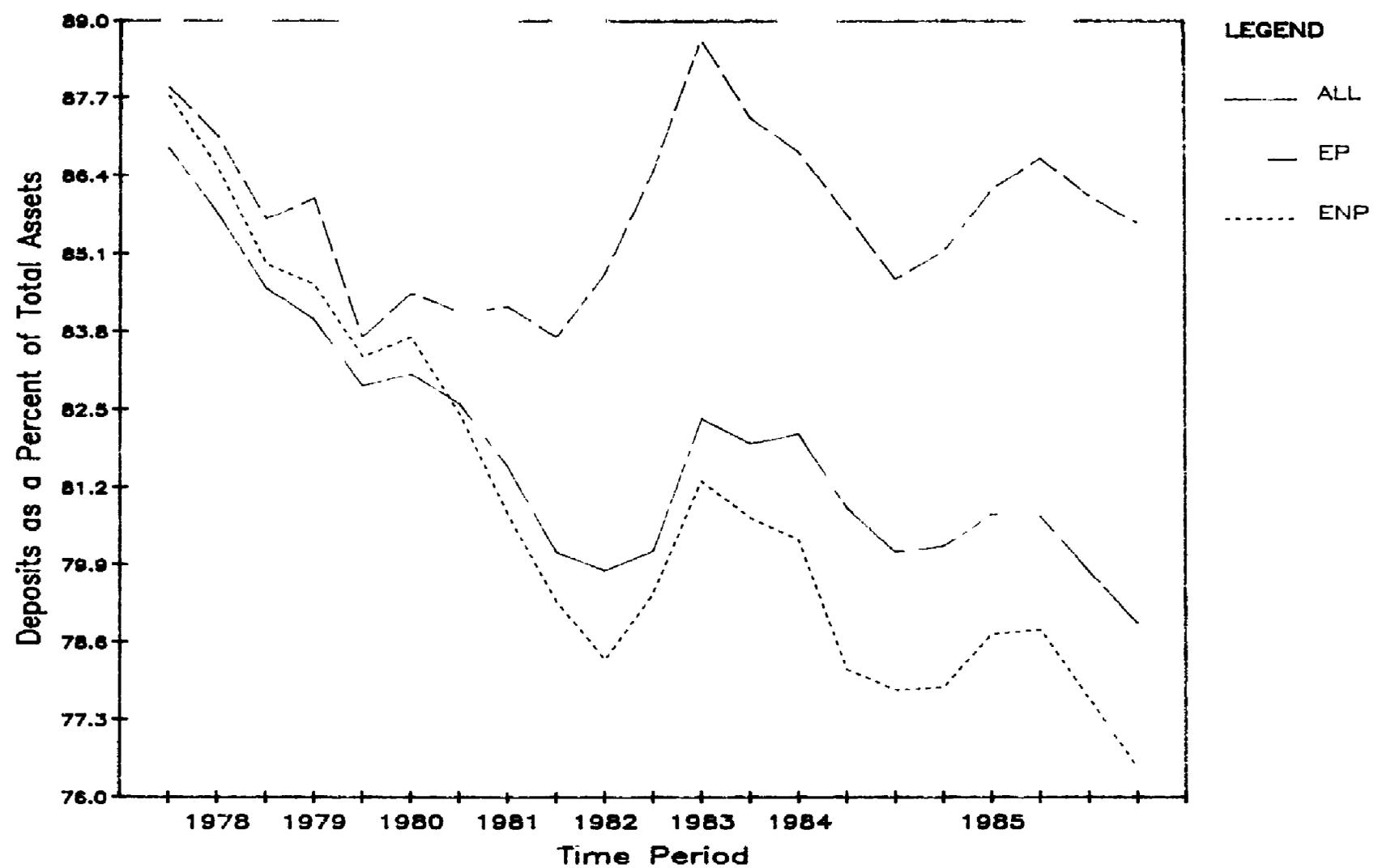
^dThe sum of deposits, FHLB advances, other borrowed money, and other liabilities.

^eTotal may not sum to 100.00 because of rounding.

^fData are available semiannually through 1983.

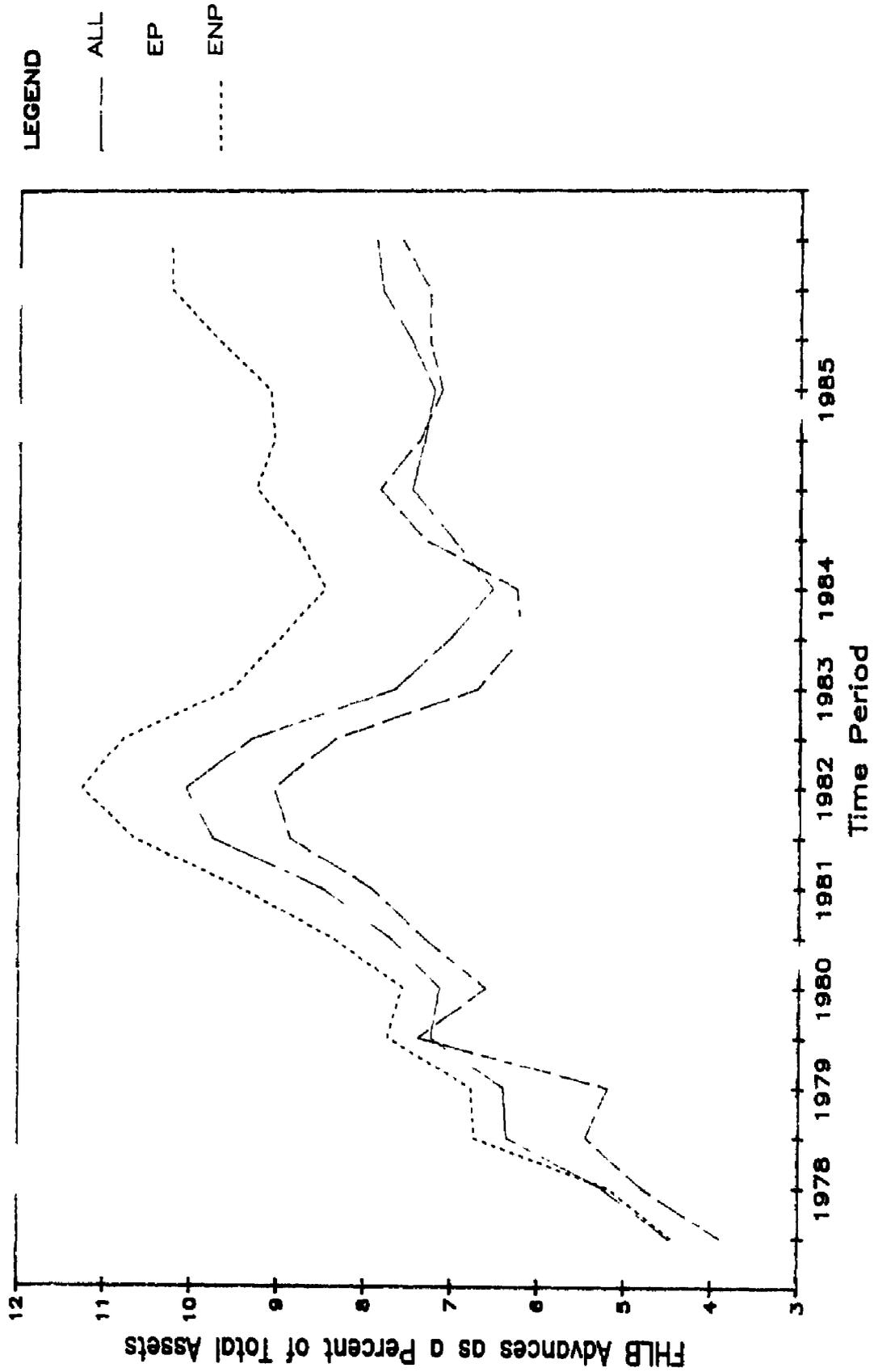
^gData are available quarterly in 1984 and 1985.

Figure II.9
DEPOSITS AS A PERCENTAGE OF TOTAL ASSETS



Source: Tables II.8, II.9, and II.10

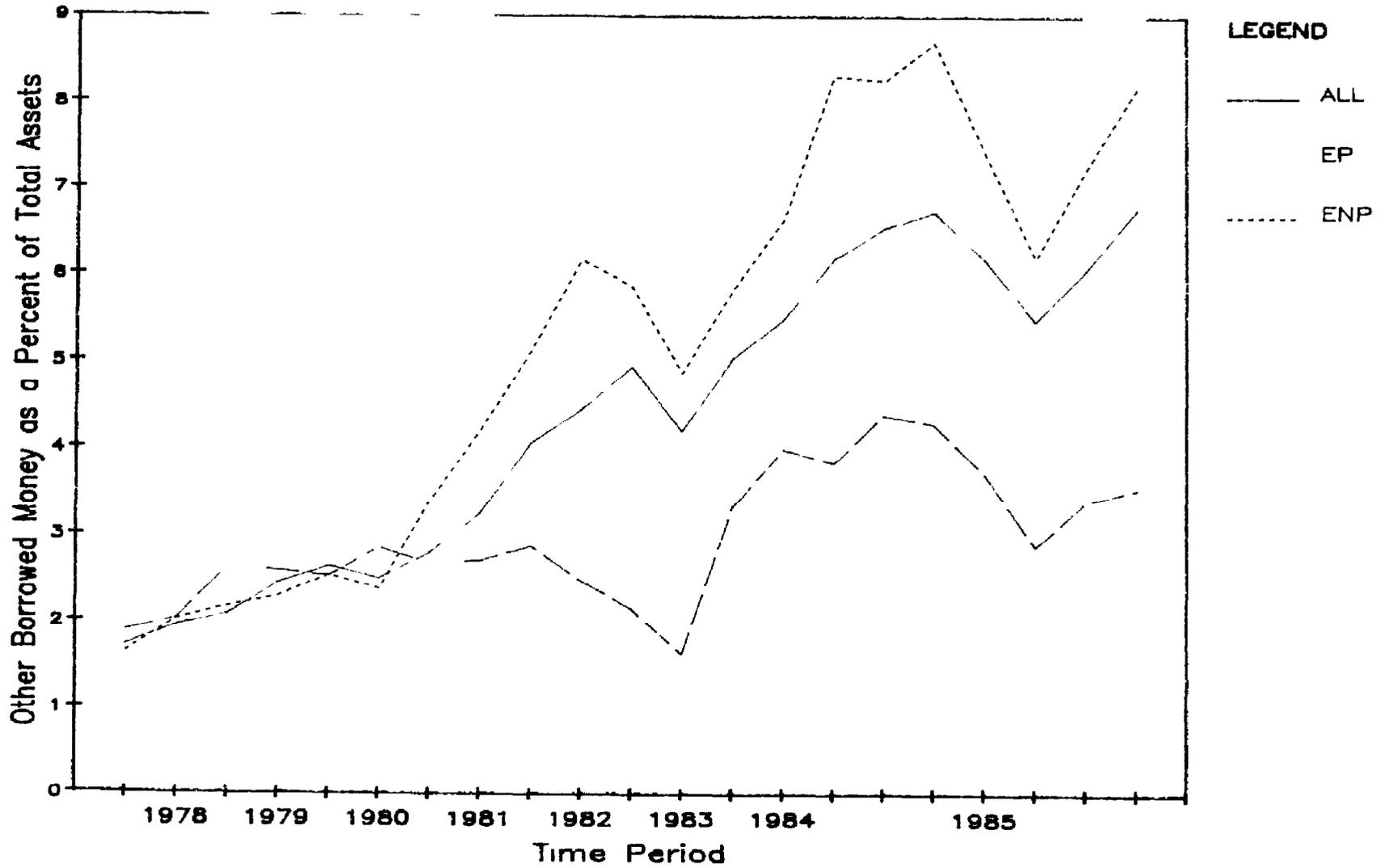
Figure II.10
FHLB ADVANCES AS A PERCENTAGE OF TOTAL ASSETS



Source: Tables II.8, II.9, and II.10

Figure II.11

OTHER BORROWED MONEY AS A PERCENTAGE OF TOTAL ASSETS



Source: Tables II.8, II.9, and II.10

Table II.11

Deposit Composition for All FSLIC-
Insured Institutions (1977-1985)

Period	Percentages of Total Assets						
	Small deposits ^a	Negotiable CDs ^b	Time deposits ^c	Transaction accounts ^d	MMDAs ^e	Passbook savings	Brokered deposits
1977.2 ^f	78.70	8.18	53.86	0.05	0	32.97	0.10
1978.1	N/A	N/A	54.62	0.06	0	31.11	0.11
2	75.84	8.69	57.23	0.06	0	27.24	0.12
1979.1	N/A	N/A	59.40	0.07	0	24.53	0.23
2	72.57	10.32	61.64	0.08	0	21.17	0.31
1980.1	N/A	N/A	64.05	0.11	0	18.95	0.38
2	75.89	6.71	64.90	0.20	0	17.50	0.64
1981.1	N/A	N/A	64.87	0.96	0	15.71	0.49
2	80.11	7.54	64.55	1.26	0	14.30	0.51
1982.1	N/A	N/A	64.77	1.47	0	13.56	0.70
2	71.62	8.52	62.03	2.15	0	15.97 ^g	1.19
1983.1	N/A	N/A	54.70	2.65	12.52	12.49	2.10
2	71.08	10.85	57.00	2.88	12.76	9.29	3.53
1984.1 ^h	71.99	11.10	57.60	2.95	13.36	8.16	4.08
2	69.21	11.65	58.18	2.98	12.21	7.48	4.46
3	68.42	11.69	59.43	2.88	10.95	6.85	4.60
4	68.56	11.66	59.79	2.95	11.08	6.40	4.40
1985.1	69.40	11.35	59.33	3.10	12.04	6.30	4.02
2	70.08	10.65	59.16	3.24	12.04	6.30	3.86
3	69.48	10.31	57.96	3.35	12.29	6.19	3.74
4	68.76	10.15	57.42	3.47	12.10	5.92	3.83

Source. FHLBB Semiannual and Quarterly Financial Statements, 1977-1985.

Notes: ^aSmall deposits are deposits with balances less than \$100,000.

^bNegotiable CDs are large negotiable deposits with balances over \$100,000.

^cTime deposits are deposits having a fixed maturity.

^dIncludes negotiable order of withdrawal (NOW) accounts, Super NOW accounts, and demand deposits.

^eMoney Market Deposit Accounts (MMDAs) were authorized under the Garn-St Germain Act.

^fData are available semiannually through 1983.

^gThe downward trend of passbook savings is reversed here and in the subsequent two tables because MMDAs were first issued in December 14, 1982, and are included, for this period only, as part of Passbook Savings. Federal Reserve Statistical Release H.6 shows that MMDAs totaled \$16.8 billion, or 2.45 percent of assets, on December 31, 1982, only 2 weeks later.

^hData are available quarterly during 1984 and 1985.

Table II.12

Deposit Composition for Net Worth Certificate Participants (1977-1985)^a

Period	Percentages of Total Assets ^b						
	Small deposits ^c	Negotiable CDs ^d	Time deposits ^e	Transaction accounts ^f	MMDAs ^g	Passbook savings	Brokered deposits
1977.2 ^h	81.98	5.92	49.17	0.19	0.0	38.54	0.04
1978.1	N/A	N/A	50.50	0.20	0.0	36.37	0.02
2	79.11	6.57	53.83	0.23	0.0	31.62	0.02
1979.1	N/A	N/A	56.96	0.33	0.0	28.74	0.02
2	76.91	6.80	58.56	0.43	0.0	24.72	0.04
1980.1	N/A	N/A	61.68	0.52	0.0	22.25	0.04
2	81.02	3.10	63.02	0.63	0.0	20.48	2.95
1981.1	N/A	N/A	64.23	1.14	0.0	18.85	0.48
2	83.71	3.61	64.74	1.44	0.0	17.53	0.27
1982.1	N/A	N/A	65.92	1.62	0.0	17.23	0.32
2	82.86	3.62	64.34	2.29	0.0	19.85	0.40
1983.1	N/A	N/A	56.58	2.70	13.77	15.65	0.64
2	83.27	4.10	57.98	2.66	13.70	13.03	1.00
1984.1 ⁱ	81.85	4.95	57.96	2.75	13.79	12.30	1.31
2	81.51	4.25	57.84	2.93	13.07	11.92	0.88
3	80.15	4.53	58.90	2.86	11.87	11.05	0.93
4	81.02	4.13	59.78	2.91	11.84	10.63	0.81
1985.1	81.88	4.30	59.59	3.03	13.03	10.53	0.63
2	82.44	4.25	59.29	3.20	13.45	10.76	0.38
3	81.87	4.20	58.38	3.18	13.85	10.65	0.42
4	81.60	4.01	57.59	3.33	14.09	10.60	0.28

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1985.

Notes: ^aSee table II.2, note ^a for a description of our set of Net Worth Certificate Participants.

^bThe data on the components of liabilities sometimes vary widely from quarter to quarter, especially for groups smaller than all institutions. Thus, attention should be focused on the general trend of the liability categories rather than on the values in particular time periods.

^cSmall deposits are deposits with balances less than \$100,000.

^dNegotiable CDs are large negotiable deposits with balances over \$100,000.

^eTime deposits are deposits having a fixed maturity.

^fIncludes negotiable order of withdrawal (NOW) accounts, Super NOW accounts, and demand deposits.

^gMoney Market Deposit Accounts (MMDAs) were authorized under the Garn-St Germain Act.

^hData are available semiannually through 1983.

ⁱData are available quarterly during 1984 and 1985.

Table II.13

Deposit Composition for Eligible Nonparticipants (1977-1985)^a

Period	Percentages of Total Assets						
	Small deposits ^b	Negotiable CDs ^c	Time deposits ^d	Transaction accounts ^e	MMDAs ^f	Passbook savings	Brokered deposits
1977.2 ^g	79.35	8.39	54.11	0.04	0.0	33.58	0.06
1978.1	N/A	N/A	54.74	0.05	0.0	31.77	0.06
2	76.13	8.79	57.38	0.05	0.0	27.49	0.06
1979.1	N/A	N/A	59.78	0.06	0.0	24.75	0.31
2	73.46	9.92	62.05	0.07	0.0	21.26	0.37
1980.1	N/A	N/A	64.66	0.09	0.0	18.96	0.24
2	75.31	7.10	64.77	0.19	0.0	17.45	0.09
1981.1	N/A	N/A	64.19	1.01	0.0	15.55	0.10
2	79.28	6.90	63.90	1.29	0.0	14.08	0.19
1982.1	N/A	N/A	63.35	1.50	0.0	13.47	0.31
2	72.29	7.11	61.57	2.01	0.0	15.83	0.91
1983.1	N/A	N/A	53.86	2.70	12.88	11.88	1.27
2	72.28	8.41	56.01	2.89	12.37	9.42	2.27
1984.1 ^h	70.78	9.55	56.12	2.99	13.11	8.12	2.88
2	68.77	9.37	55.68	3.06	11.86	7.51	3.01
3	67.91	9.88	57.38	2.78	10.80	6.85	3.14
4	67.99	9.87	57.72	2.93	10.80	6.40	3.13
1985.1	69.30	9.45	57.47	3.17	11.77	6.35	3.04
2	70.09	8.72	57.52	3.31	11.64	6.34	2.90
3	69.63	8.02	56.16	3.41	11.92	6.16	2.92
4	68.75	7.75	55.16	3.60	11.70	6.03	2.66

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1985.

Notes: ^aThe data on the components of liabilities sometimes vary widely from quarter to quarter, especially for groups smaller than all institutions. Thus, attention should be focused on the general trend of the liability categories rather than on the values in particular time periods.

^bSmall deposits are deposits with balances less than \$100,000.

^cNegotiable CDs are large negotiable deposits with balances over \$100,000.

^dTime deposits are deposits having a fixed maturity.

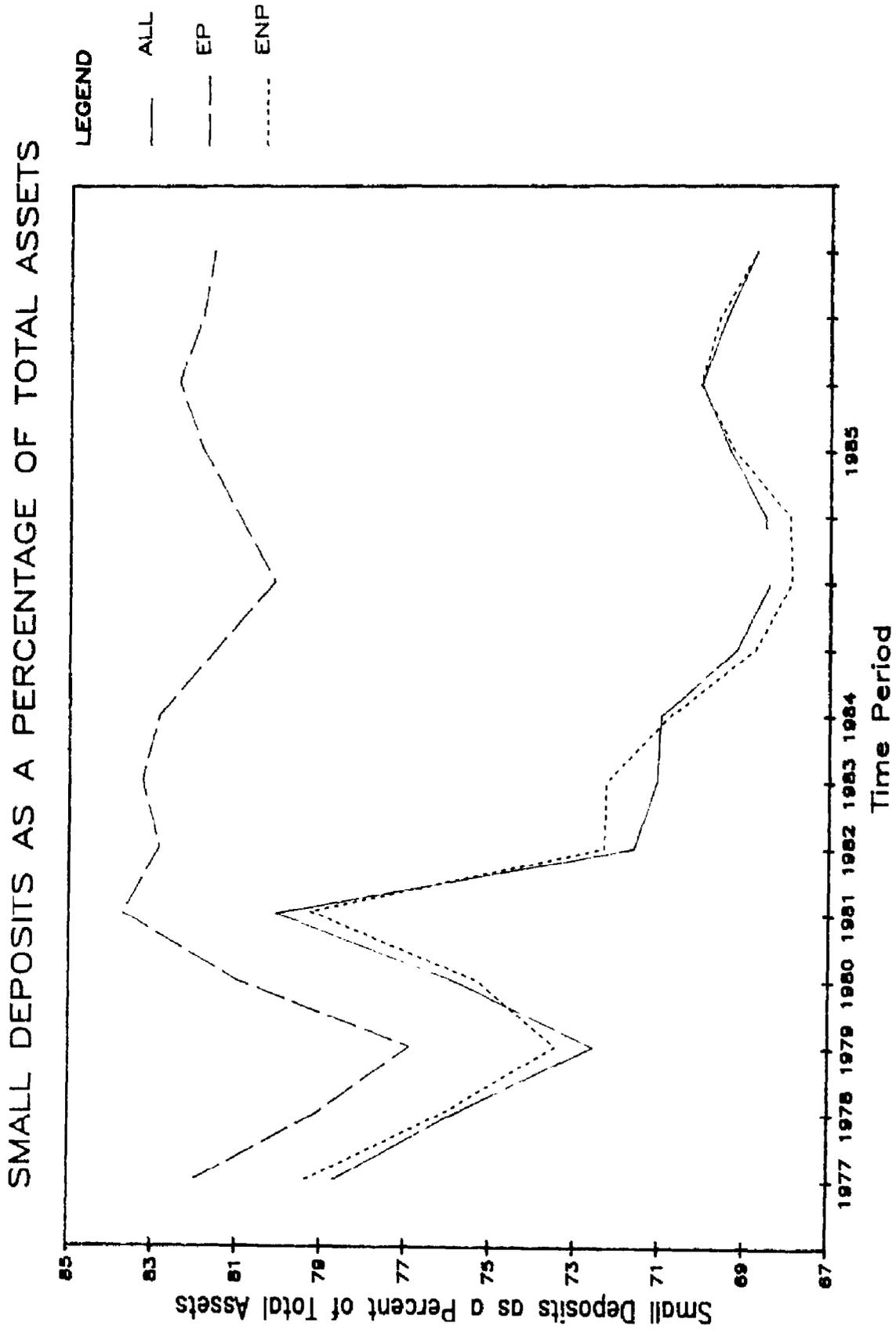
^eIncludes negotiable order of withdrawal (NOW) accounts, Super NOW accounts, and demand deposits.

^fMoney Market Deposit Accounts (MMDAs) were authorized under the Garn-St Germain Act.

^gData are available semiannually through 1983.

^hData are available quarterly during 1984 and 1985.

Figure II.12



Source: Tables II.11, II.12, and II.13

Figure II.13

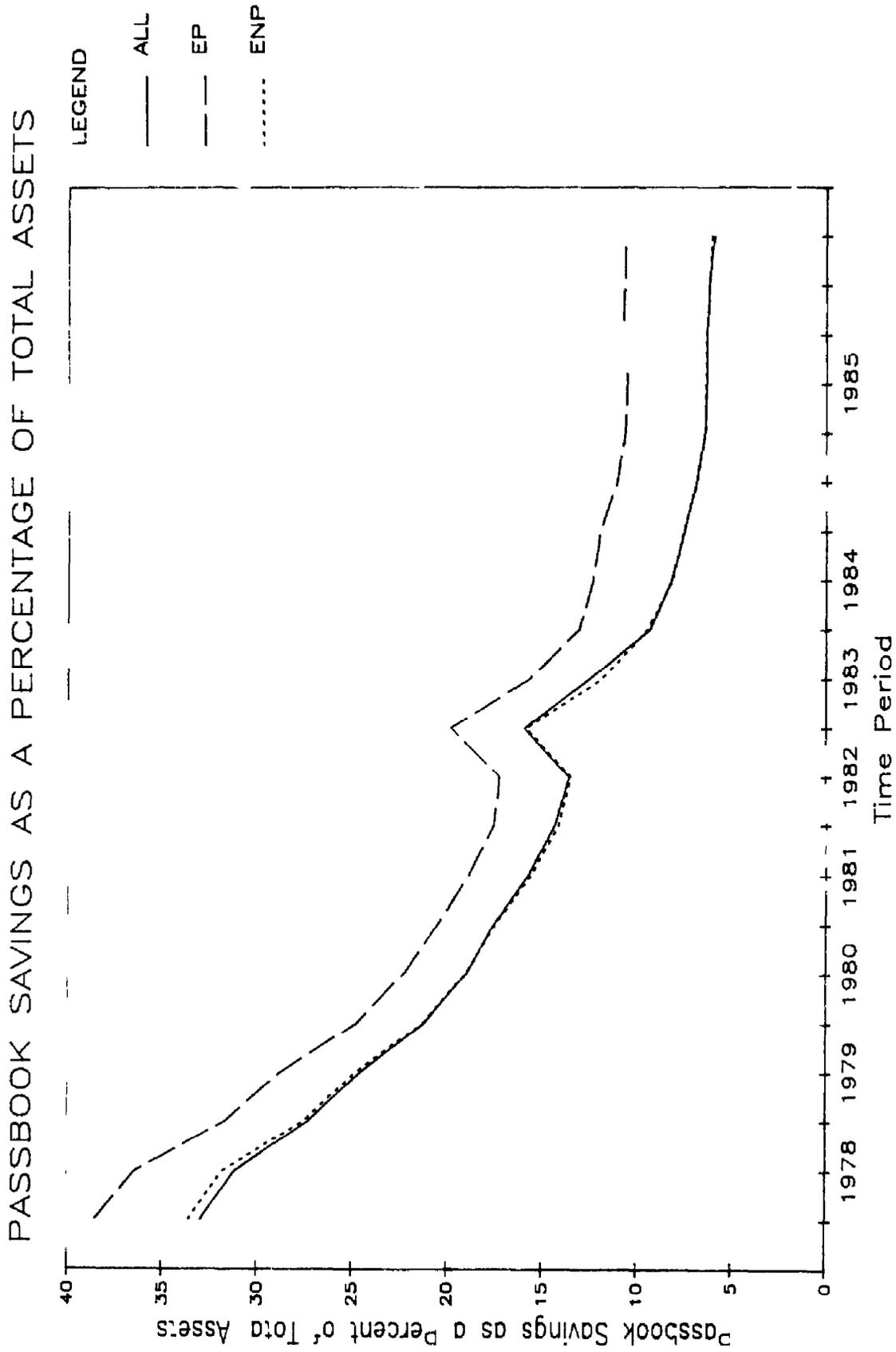
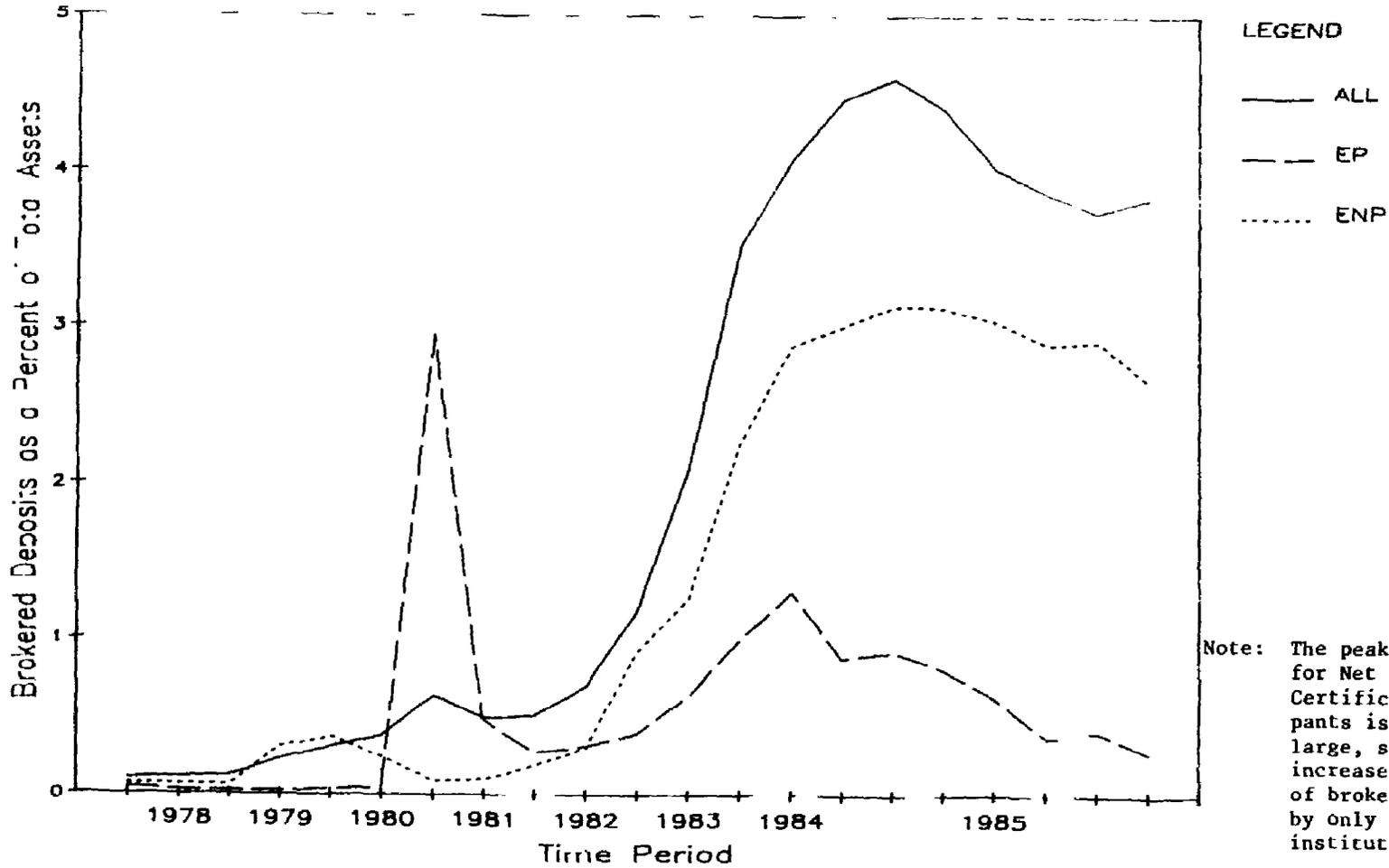


Figure II.14

BROKERED DEPOSITS AS A PERCENTAGE OF TOTAL ASSETS



Note: The peak in 1980.2 for Net Worth Certificate Participants is due to very large, short-term increases in holdings of brokered deposits by only three institutions.

Source: Tables II.11, II.12, and II.13

Table II.14

Net Worth: All FSLIC-Insured Institutions (1977-1985)

	<u>Percentages of Total Assets</u>		
	<u>RAP^a</u>	<u>GAAP^b</u>	<u>TAP^c</u>
1977.2 ^d	5.62	5.70	5.68
1978.1	5.64	5.73	5.71
2	5.66	5.77	5.74
1979.1	5.65	5.75	5.72
2	5.70	5.80	5.78
1980.1	5.60	5.70	5.68
2	5.36	5.47	5.43
1981.1	4.95	5.06	5.02
2	4.35	4.34	3.97
1982.1	3.78	3.59	2.38
2	3.69	3.18	0.77
1983.1	3.82	3.18	0.74
2	4.02	3.33	0.66
1984.1 ^e	4.00	3.20	0.61
2	3.94	3.07	0.59
3	3.86	2.94	0.47
4	3.87	2.93	0.49
1985.1	3.93	2.96	0.55
2	4.19	3.18	0.73
3	4.22	3.23	0.85
4	4.38	3.39	1.06

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1985.

Notes. ^aRAP is regulatory net worth, which is the sum of preferred stock; permanent, reserve, or guaranty stock paid-in surplus; qualifying mutual capital certificates; qualifying subordinated debentures*; appraised equity capital*; net worth certificates*; accrued net worth certificates*; income capital certificates, reserves; undivided profits (retained earnings); and net undistributed income.

^bGAAP is net worth as defined under GAAP. It excludes the starred components of regulatory net worth. Deferred net losses (gains) on loans and other assets sold are also excluded from assets.

^cTAP is tangible net worth, which is GAAP net worth less goodwill and other intangible assets.

^dData are available semiannually through 1983.

^eData are available quarterly during 1984 and 1985

Table II.15

Net Worth: Participants in the Net
Worth Certificate Program (1977-1985)^a

	<u>Percentages of Total Assets</u>		
	<u>RAP^b</u>	<u>GAAP^c</u>	<u>TAP^d</u>
1977 2 ^e	4.93	4.94	4.94
1978.1	4.92	4.93	4.93
2	4.93	4.95	4.95
1979.1	4.94	4.96	4.96
2	4.96	4.98	4.98
1980.1	4.73	4.74	4.74
2	4.43	4.46	4.45
1981.1	3.77	3.80	3.78
2	3.00	2.11	2.09
1982.1	2.07	0.70	0.32
2	1.64	-0.99	-2.07
1983.1	1.58	-1.46	-2.72
2	1.60	-1.95	-3.33
1984.1 ^f	1.54	-2.20	-3.52
2	1.52	-2.42	-3.71
3	1.44	-2.54	-3.79
4	1.53	-2.59	-3.90
1985.1	1.48	-2.64	-3.90
2	1.59	-2.58	-3.85
3	1.62	-2.44	-3.70
4	1.71	-2.25	-3.51

Source FHLBB Semiannual and Quarterly Financial Statements, 1977-1985.

Notes. ^aSee table II.2, note ^a for a description of our set of Net Worth Certificate Participants.

^bRAP is regulatory net worth, which is the sum of preferred stock, permanent, reserve, or guaranty stock paid-in surplus; qualifying mutual capital certificates*; qualifying subordinated debentures*; appraised equity capital*; net worth certificates*; accrued net worth certificates*; income capital certificates; reserves; undivided profits (retained earnings); and net undistributed income.

^cGAAP is net worth as defined under GAAP. It excludes the starred components of regulatory net worth. Deferred net losses (gains) on loans and other assets sold are also excluded from assets.

^dTAP is tangible net worth, which is GAAP net worth less goodwill and other intangible assets.

^eData are available semiannually through 1983.

^fData are available quarterly during 1984 and 1985.

Table II.16

Net Worth: Eligible Nonparticipants (1977-1985)

	<u>Percentages of Total Assets</u>		
	<u>RAP^a</u>	<u>GAAP^b</u>	<u>TAP^c</u>
1977.2 ^d	4.86	4.91	4.90
1978.1	4.84	4.93	4.92
2	4.83	4.93	4.92
1979.1	4.79	4.87	4.86
2	4.83	4.91	4.90
1980.1	4.65	4.73	4.69
2	4.33	4.40	4.37
1981.1	3.86	3.94	3.89
2	3.18	3.08	2.67
1982.1	2.41	1.94	-0.16
2	2.19	1.41	-1.78
1983.1	2.42	1.41	-1.78
2	2.72	1.68	-1.72
1984.1 ^e	2.74	1.54	-2.04
2	2.69	1.43	-2.01
3	2.68	1.40	-2.06
4	2.68	1.33	-2.10
1985.1	2.68	1.27	-2.07
2	2.96	1.50	-1.83
3	2.90	1.50	-1.75
4	3.17	1.78	-1.43

Source. FHLBB Semiannual and Quarterly Financial Statements, 1977-1985.

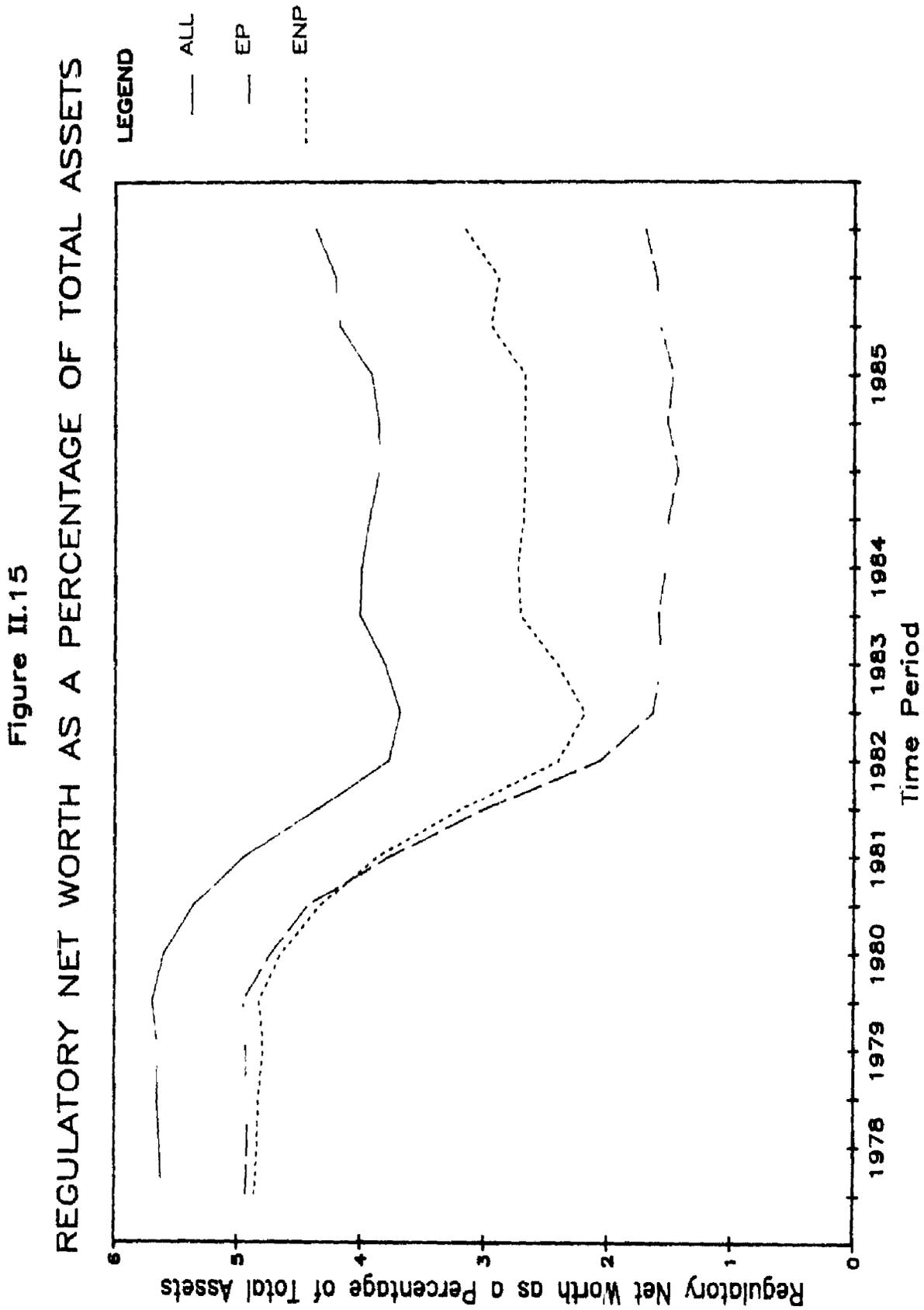
Notes. ^aRAP is regulatory net worth, which is the sum of preferred stock; permanent, reserve, or guaranty stock paid-in surplus; qualifying mutual capital certificates*; qualifying subordinated debentures*; appraised equity capital*; net worth certificates*; accrued net worth certificates*; income capital certificates; reserves; undivided profits (retained earnings); and net undistributed income.

^bGAAP is net worth as defined under GAAP. It excludes the starred components of regulatory net worth. Deferred net losses (gains) on loans and other assets sold are also excluded from assets.

^cTAP is tangible net worth, which is GAAP net worth less goodwill and other intangible assets.

^dData are available semiannually through 1983.

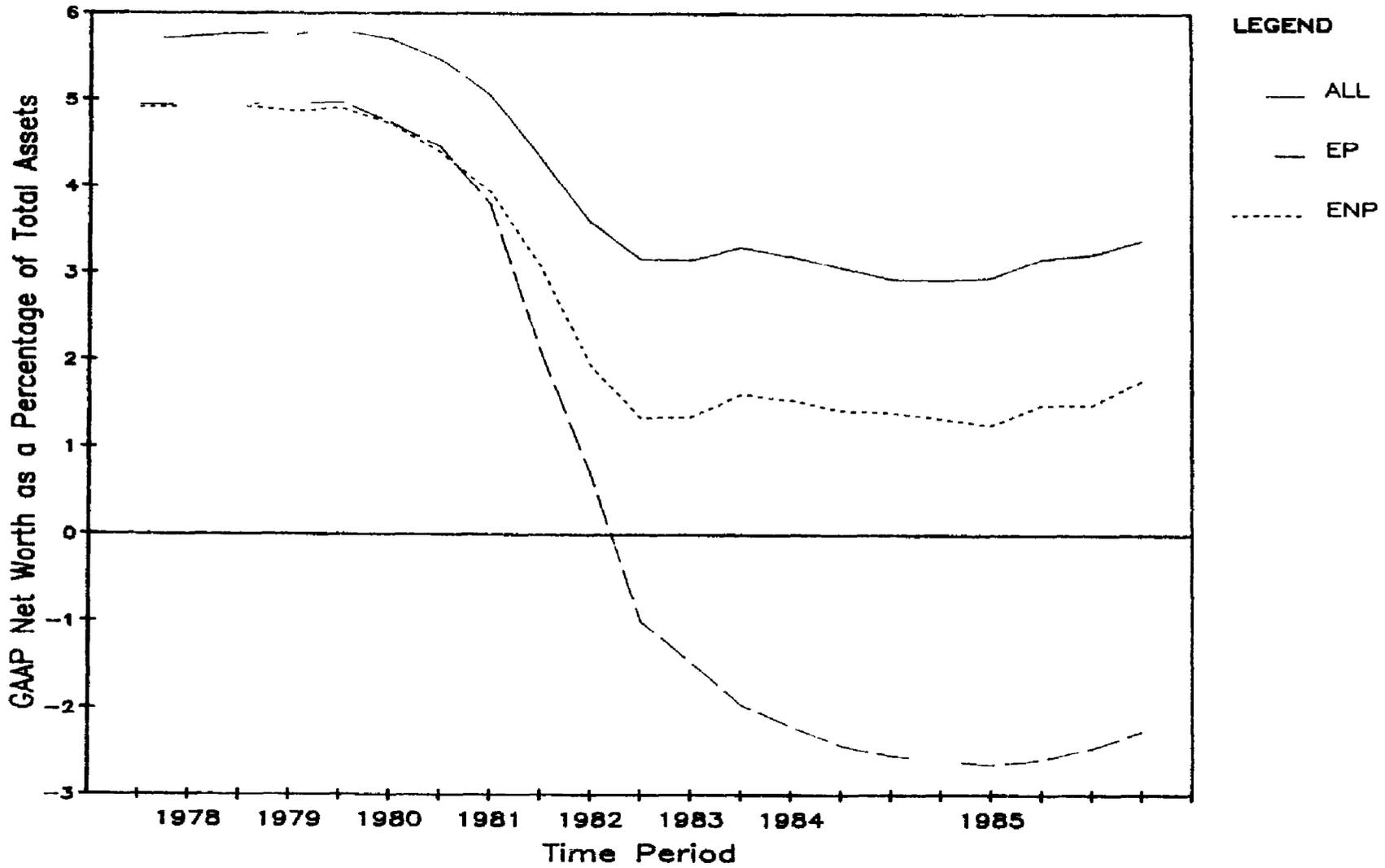
^eData are available quarterly during 1984 and 1985.



Source: Tables II.14, II.15, and II.16

Figure II.16

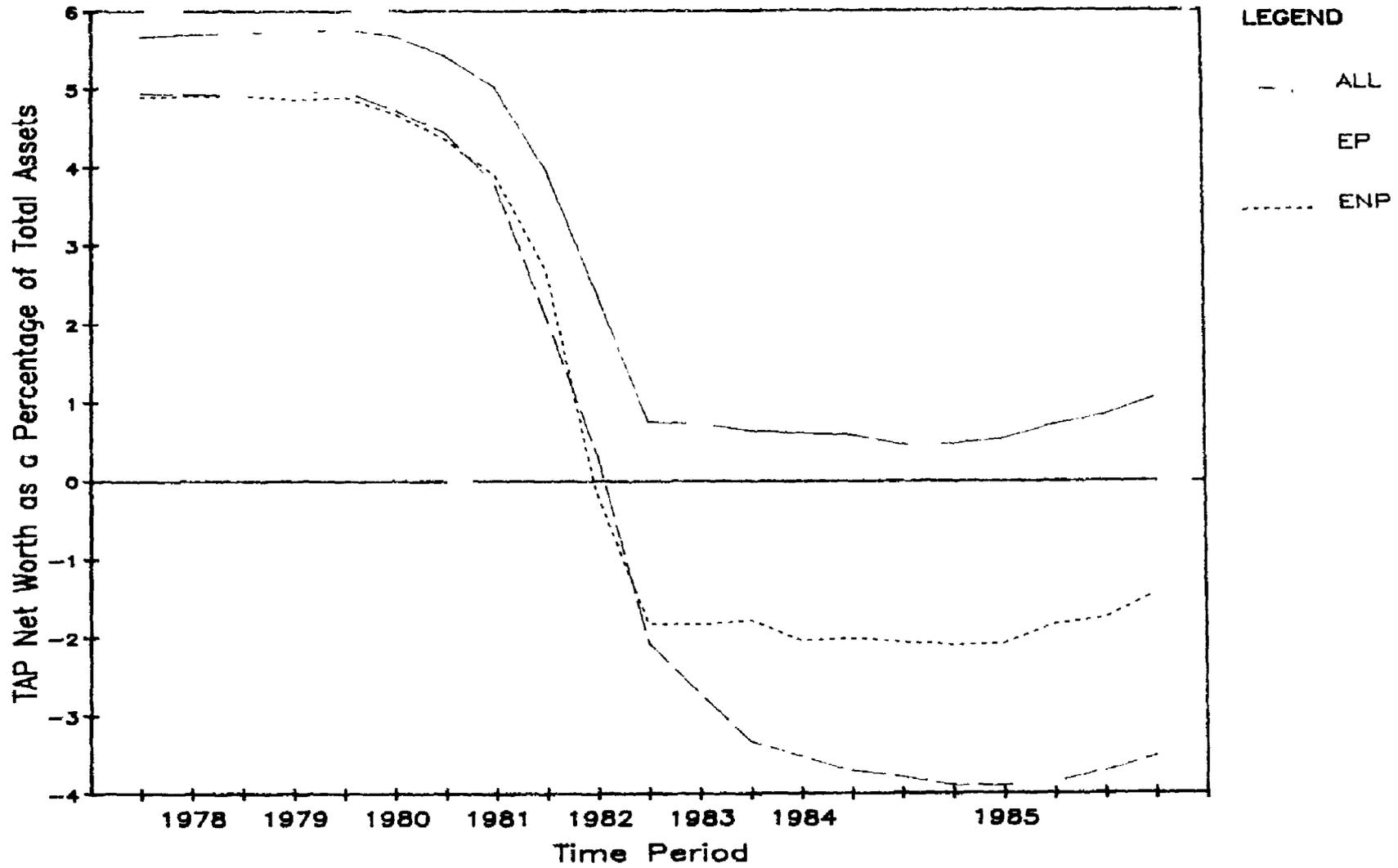
GAAP NET WORTH AS A PERCENTAGE OF TOTAL ASSETS



Source: Tables II.14, II.15, and II.16

Figure II.17

TANGIBLE NET WORTH AS A PERCENTAGE OF TOTAL ASSETS



Source: Tables II.14, II.15, and II.16

Table II.17

Net Worth Assistance Components of Regulatory
Net Worth for All FSLIC-Insured Institutions (1977-1985)

	Mutual capital certificates	Qualifying subordinated debentures	Percentages of RAP				Income capital certificates	Deferred losses ^b	Goodwill ^c
			Appraised equity capital	Net worth certificates ^a	Accrued net worth certificates				
1977.2 ^d	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1.34	0.40
1978.1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1.66	0.37
2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1.93	0.43
1979.1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1.74	0.41
2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1.64	0.40
1980.1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1.76	0.49
2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1.95	0.60
1981.1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-2.18	0.91
2	0.14	0.00	0.00	0.00	0.00	0.00	0.28	0.03	8.51
1982.1	1.11	0.00	0.00	0.00	0.00	0.00	0.64	3.91	31.91
2	0.24	0.89	2.66	0.55	0.00	0.00	1.60	9.91	65.40
1983.1	0.04	0.95	3.25	0.72	0.00	0.00	1.54	12.30	63.62
2	0.06	1.02	3.78	1.11	0.00	0.00	2.49	11.65	66.48
1984.1 ^e	0.04	1.42	3.62	0.42	0.09	0.09	2.17	14.41	64.83
2	0.22	1.81	3.79	0.45	0.08	0.08	2.11	15.68	63.03
3	0.19	2.49	3.74	0.43	0.07	0.07	2.23	16.75	64.11
4	0.29	2.76	3.89	0.44	0.12	0.12	2.32	16.85	63.10
1985.1	0.35	3.24	3.78	0.48	0.13	0.13	2.25	16.83	61.25
2	0.10	3.96	3.59	0.68	0.13	0.13	3.30	15.53	58.50
3	0.01	3.99	3.65	0.78	0.09	0.09	3.38	14.82	56.59
4	0.01	4.37	3.68	0.85	0.07	0.07	5.30	13.59	53.26

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1985.

Notes: ^aRevised.

^bDeferred net losses (gains) on loans and other assets sold.

^cGoodwill and other intangible assets.

^dData are available semiannually through 1983.

^eData are available quarterly during 1984 and 1985.

Table II.18

Net Worth Assistance Components of Regulatory
Net Worth for Net Worth Certificate Participants (1977-1985)^a

	Mutual capital certificates	Qualifying subordinated debentures	Percentages of RAP			Income capital certificates	Deferred losses ^b	Goodwill ^c
			Appraised equity capital	Net worth certificates	Accrued net worth certificates			
1977.2 ^d	0.00	0.00	0.00	0.00	0.00	0.00	-0.13	0.03
1978.1	0.00	0.00	0.00	0.00	0.00	0.00	-0.23	0.03
2	0.00	0.00	0.00	0.00	0.00	0.00	-0.30	0.03
1979.1	0.00	0.00	0.00	0.00	0.00	0.00	-0.32	0.02
2	0.00	0.00	0.00	0.00	0.00	0.00	-0.41	0.02
1980.1	0.00	0.00	0.00	0.00	0.00	0.00	-0.40	0.02
2	0.00	0.00	0.00	0.00	0.00	0.00	-0.55	0.10
1981.1	0.00	0.00	0.00	0.00	0.00	0.00	-0.67	0.45
2	0.00	0.00	0.00	0.00	0.00	0.00	29.79	0.56
1982.1	0.00	0.00	0.00	0.00	0.00	0.00	66.17	18.18
2	0.00	2.16	19.77	1.26	0.00	0.00	137.30	66.20
1983.1	0.00	0.47	24.02	15.53	0.00	0.00	152.40	79.49
2	0.00	1.34	29.26	31.38	0.00	0.00	159.70	86.43
1984.1 ^e	0.00	1.35	29.12	31.14	11.89	0.00	169.40	85.87
2	0.00	1.33	28.51	36.64	10.25	0.00	183.30	84.96
3	0.00	1.37	29.11	44.25	9.64	0.00	191.60	86.62
4	0.00	1.07	25.75	42.03	11.95	0.00	188.70	85.90
1985.1	0.00	1.10	26.27	47.83	10.24	0.00	193.30	85.20
2	0.00	1.04	24.32	44.43	9.49	0.00	182.90	80.09
3	0.00	0.85	22.99	44.56	6.97	0.00	174.80	77.76
4	0.00	1.21	21.69	42.37	3.38	0.00	163.00	73.88

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1985.

Notes: ^aSee table II.2, note ^a for a description of our set of Net Worth Certificate Participants.

^bDeferred net losses (gains) on loans and other assets sold.

^cGoodwill and other intangible assets.

^dData are available semiannually through 1983.

^eData are available quarterly during 1984 and 1985.

Table II.19

Net Worth Assistance Components of Regulatory
Net Worth for Eligible Nonparticipants (1977-1985)

	Mutual capital certificates	Qualifying subordinated debentures	Appraised equity capital	Percentages of RAP				
				Net worth certificates ^a	Accrued net worth certificates	Income capital certificates	Deferred losses ^b	Goodwill ^c
1977.2 ^d	0.00	0.00	0.00	0.00	0.00	0.00	-1.12	0.26
1978.1	0.00	0.00	0.00	0.00	0.00	0.00	-1.75	0.23
2	0.00	0.00	0.00	0.00	0.00	0.00	-2.05	0.19
1979.1	0.00	0.00	0.00	0.00	0.00	0.00	-1.72	0.17
2	0.00	0.00	0.00	0.00	0.00	0.00	-1.50	0.15
1980.1	0.00	0.00	0.00	0.00	0.00	0.00	-1.56	0.73
2	0.00	0.00	0.00	0.00	0.00	0.00	-1.75	0.76
1981.1	0.00	0.00	0.00	0.00	0.00	0.00	-1.96	1.10
2	0.80	0.00	0.00	0.00	0.00	1.75	2.37	13.02
1982.1	5.14	0.00	0.00	0.00	0.00	2.90	14.43	87.04
2	0.00	0.89	5.25	3.37	0.00	6.48	28.80	145.19
1983.1	0.00	0.88	7.32	2.90	0.00	5.45	32.46	132.05
2	0.00	1.72	7.73	3.02	0.00	4.45	28.08	124.86
1984.1 ^e	0.04	2.26	7.16	0.81	0.06	6.28	33.20	130.83
2	0.00	2.34	7.46	0.81	0.06	6.24	36.03	128.18
3	0.00	3.33	6.92	0.80	0.06	6.70	36.37	129.54
4	0.00	4.92	6.73	0.84	0.29	6.69	37.42	128.00
1985.1	0.44	6.21	6.75	1.02	0.41	6.67	38.00	124.40
2	0.40	7.27	6.24	1.24	0.43	7.90	33.72	112.60
3	0.00	6.87	6.29	1.50	0.28	7.45	33.41	112.00
4	0.00	6.80	5.77	1.57	0.28	9.08	29.30	101.03

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1985.

Notes: ^aSome institutions in our set of eligible nonparticipants have net worth certificates. Figures shown for NWCs and ICCs in 1981 and 1982 are not accurate. The individual institutions were unclear as to how to report their capital certificates and on what line of the Semiannual Financial Statements. Therefore, for these periods, at least, the data are subject to large reporting errors. Moreover, some institutions have received NWCs since December 1983.

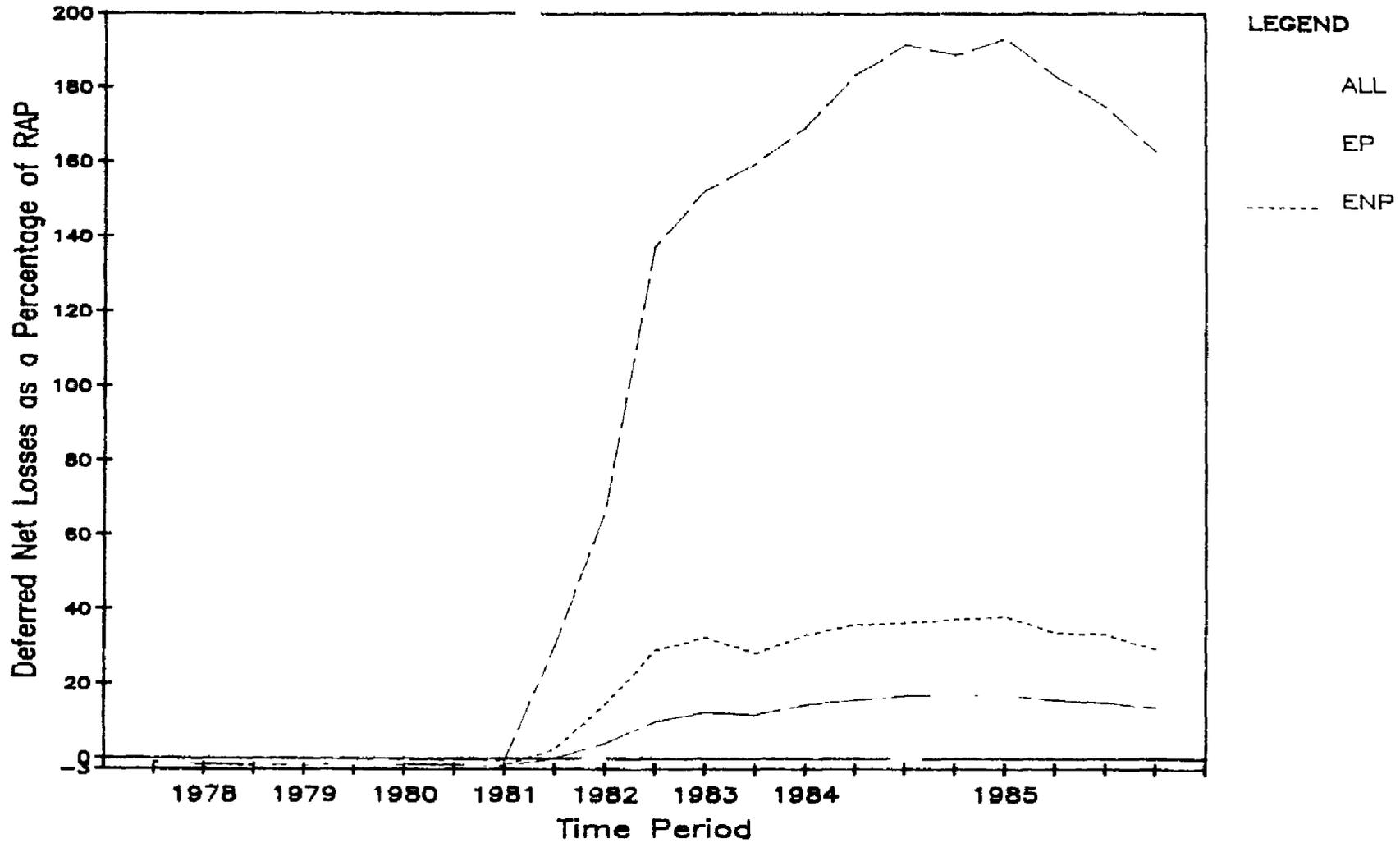
^bDeferred net losses gains on loans and other assets sold.

^cGoodwill and other intangible assets.

^dData are available semiannually through 1983.

^eData are available quarterly during 1984 and 1985.

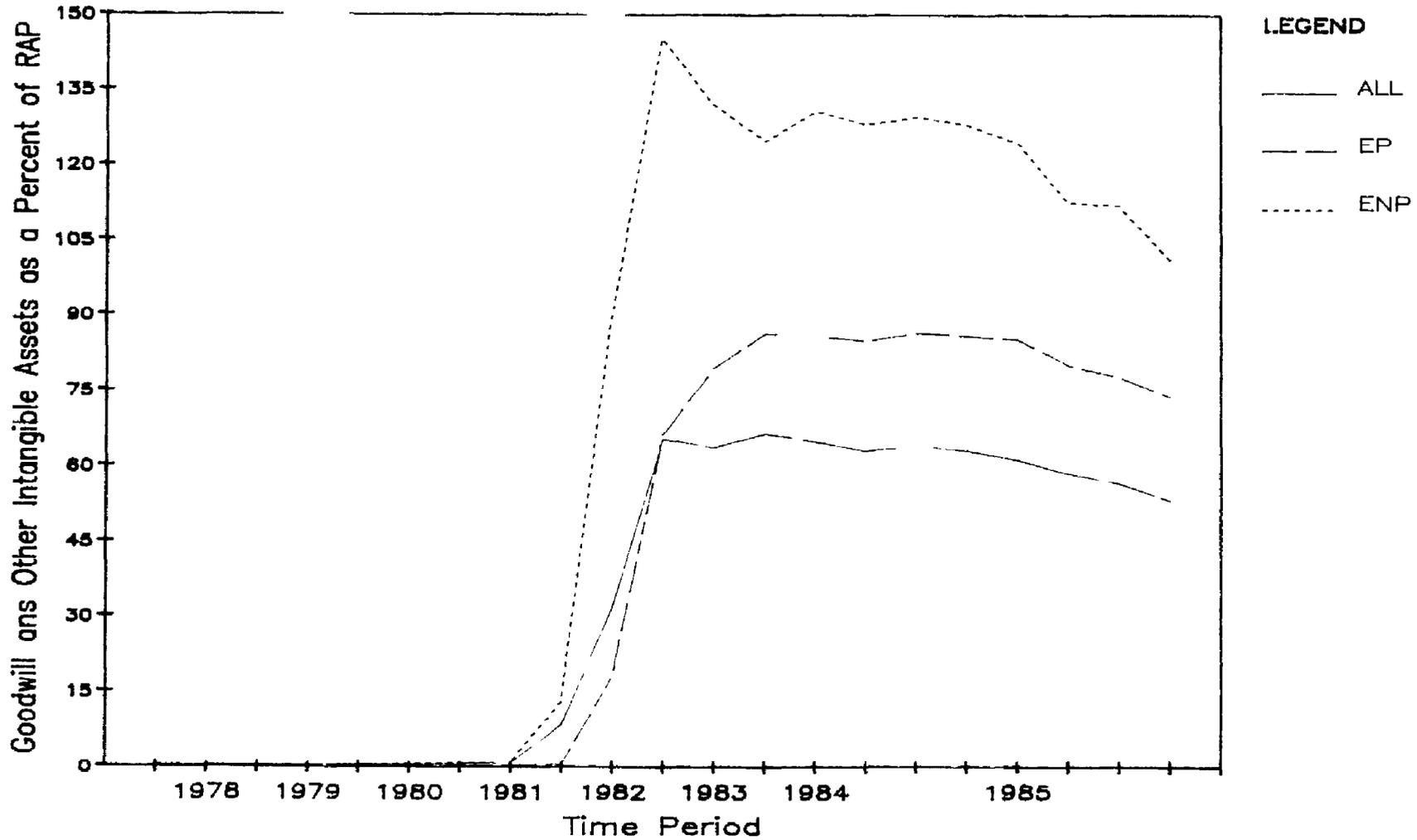
Figure II.18
 DEFERRED NET LOSSES AS A PERCENTAGE
 OF REGULATORY NET WORTH



Source: Tables II.17, II.18, and II.19

Figure II.19

GOODWILL AND OTHER INTANGIBLE ASSETS AS A PERCENTAGE OF REGULATORY NET WORTH



Source: Tables II 17, II 18, and II 19

Table II.20

Income of FSLIC-Insured Institutions (1977-1985)^a

	Percentages of Total Assets at Annual Rates								
	All institutions			Net worth certificate participants			Eligible nonparticipants		
	Total income ^b	Operating income	Nonoperating income	Total income ^b	Operating income	Nonoperating income	Total income ^b	Operating income	Nonoperating income
1977.2 ^c	8.25	8.20	0.09	7.93	7.84	0.08	8.15	8.08	0.07
1978.1	8.34	8.28	0.06	7.98	7.95	0.03	8.23	8.19	0.04
2	8.63	8.56	0.07	8.21	8.15	0.06	8.50	8.45	0.06
1979.1	8.81	8.73	0.08	8.46	8.41	0.05	8.72	8.65	0.06
2	9.29	9.19	0.10	8.77	8.70	0.06	9.20	9.11	0.08
1980.1	9.61	9.47	0.14	9.11	8.98	0.13	9.55	9.40	0.15
2	9.73	9.60	0.13	9.16	9.03	0.13	9.64	9.48	0.16
1981.1	10.27	10.12	0.16	9.60	9.45	0.15	10.23	10.05	0.18
2	10.72	10.44	0.27	10.07	9.83	0.23	10.72	10.50	0.22
1982.1	10.85	10.53	0.32	10.13	9.89	0.23	10.64	10.38	0.26
2	11.53	10.61	0.92	10.40	9.80	0.59	11.45	10.49	0.96
1983.1	10.95	10.29	0.66	10.28	9.67	0.61	11.12	10.20	0.92
2	11.00	10.57	0.43	10.37	9.96	0.41	10.98	10.51	0.46
1984.1 ^d	11.04	10.68	0.37	10.33	10.10	0.22	11.07	10.58	0.48
2	11.34	11.02	0.32	10.68	10.48	0.20	11.20	10.81	0.40
3	11.47	11.15	0.32	10.69	10.56	0.13	11.43	10.98	0.45
4	11.96	11.27	0.69	11.19	10.79	0.40	11.90	11.06	0.84
1985.1	11.32	10.86	0.46	10.64	10.40	0.24	11.30	10.73	0.56
2	11.70	10.93	0.77	11.46	10.53	0.93	11.82	10.88	0.94
3	11.30	10.71	0.59	10.90	10.49	0.41	11.26	10.63	0.63
4	11.47	10.55	0.92	11.13	10.43	0.70	11.27	10.39	0.88

Source. FHLBB Semiannual and Quarterly Financial Statements, 1977-1985.

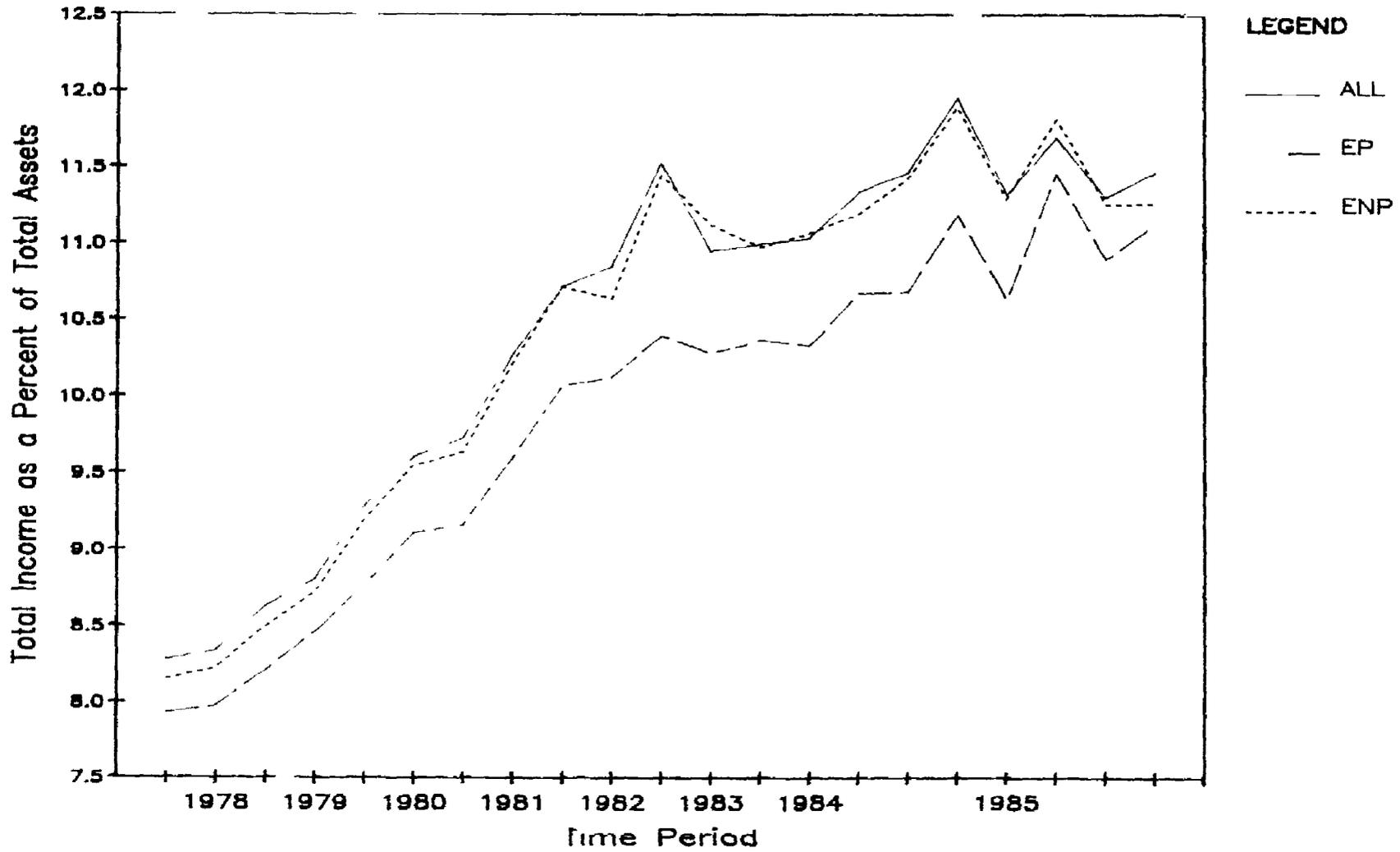
Notes ^aSee table II.2, note ^a for a description of our set of Net Worth Certificate Participants.

^bTotal income is the sum, allowing for errors of rounding, of operating and nonoperating income.

^cData are available semiannually through 1973.

^dData are available quarterly in 1984 and 1985.

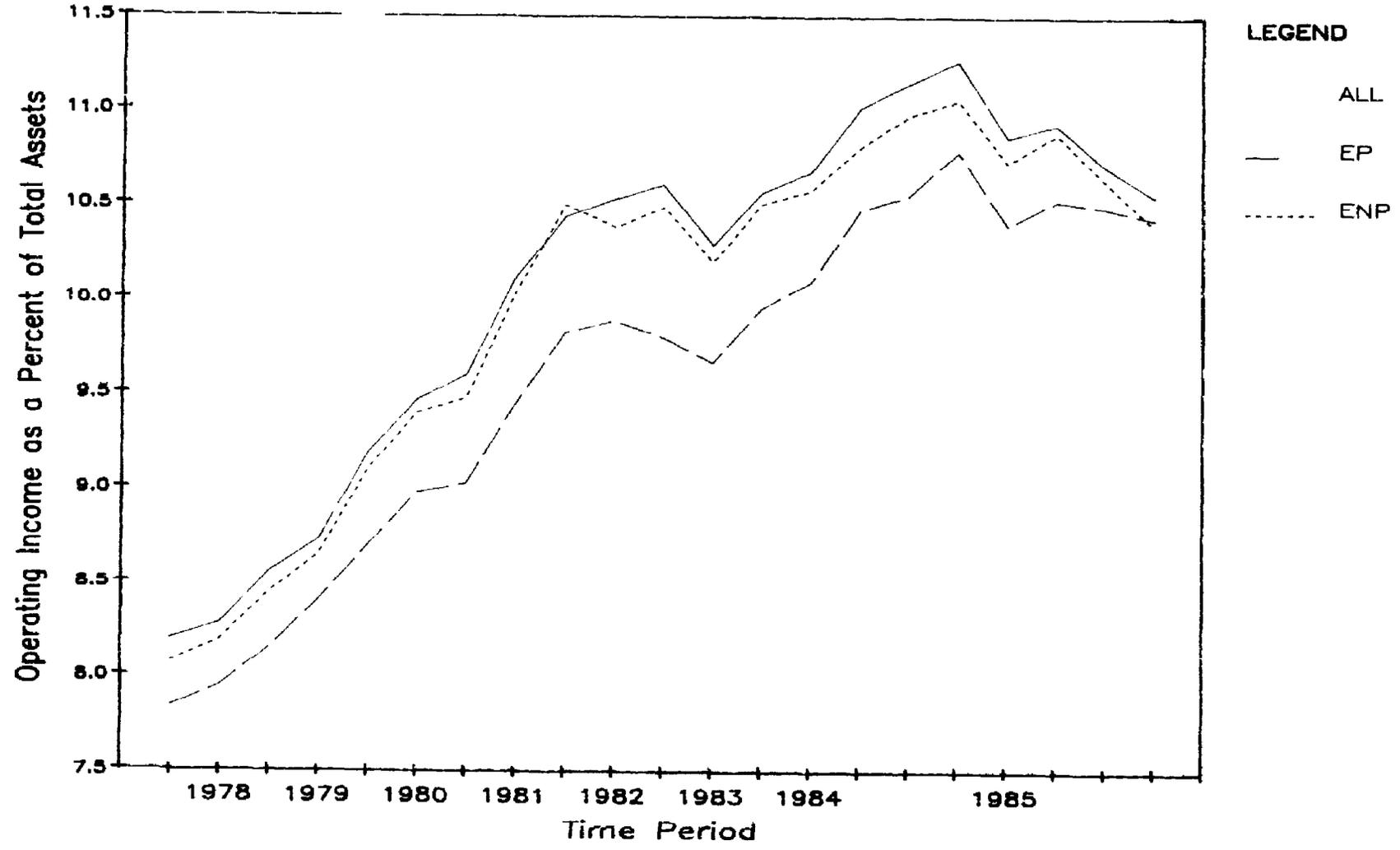
Figure II.20
TOTAL INCOME AS A PERCENTAGE OF TOTAL ASSETS
(Total Income Figures at Annual Rates)



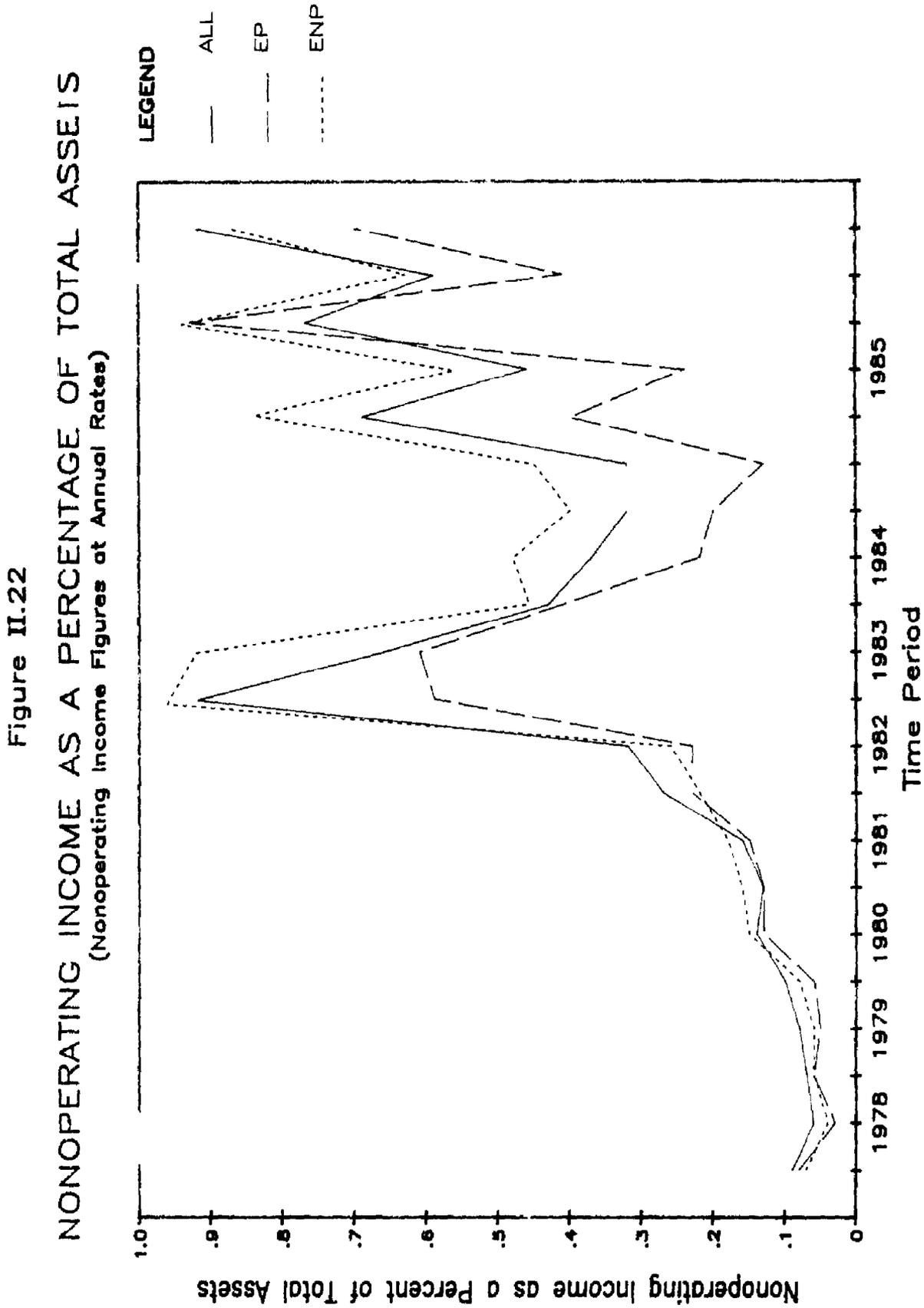
Source: Table II.20

Figure II.21

OPERATING INCOME AS A PERCENTAGE OF TOTAL ASSETS (Operating Income Figures at Annual Rates)



Source: Table II 20



Source: Table II.20

Table II.21

Average Interest Rates Paid by
All FSLIC-Insured Institutions (1977-1985)^{a, b}

<u>Period</u>	<u>Deposits</u>	<u>FHLB advances</u>	<u>Subordinated debentures</u>	<u>Mortgage- backed securities</u>
1977.2 ^c	6.26	6.61	6.82	5.04
1978.1	6.29	6.76	8.02	6.67
2	6.49	7.28	8.54	7.87
1979.1	6.93	8.12	8.60	7.07
2	7.50	8.62	8.75	7.45
1980.1	8.42	10.26	8.90	8.19
2	8.85	9.30	8.59	9.73
1981.1	10.24	10.24	8.81	10.79
2	11.38	12.30	9.27	10.95
1982.1	11.18	12.31	6.86	11.98
2	10.65	13.17	7.37	8.72
1983.1	9.22	12.04	7.84	11.86
2	9.37	11.45	9.69	12.95
1984.1 ^d	9.51	11.22	8.67	12.77
2	9.51	10.56	8.88	12.87
3	9.99	11.20	8.87	12.47
4	10.04	11.51	10.25	10.21
1985.1	9.42	11.12	11.42	11.84
2	9.10	10.79	9.26	10.88
3	8.80	10.51	9.83	11.38
4	8.52	10.35	10.28	11.38

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1985.

Notes: ^aThe average interest rates paid on liabilities shown above are calculated by dividing each expense type by the corresponding liabilities type. These numbers can be affected by the timing of changes in the stocks and flows involved, as well as by the small numbers found in some categories. This is particularly true when looking at subsets of the industry.

^bData represent average annual interest rates paid.

^cData are available semiannually through 1983.

^dData are available quarterly during 1984 and 1985.

Table II.22

Average Interest Rates Paid by
Net Worth Certificate Participants (1977-1985)^{a, b}

<u>Period</u>	<u>Deposits</u>	<u>FHLB advances</u>	<u>Subordinated debentures</u>	<u>Mortgage-backed securities</u>
1977.2 ^c	6.23	6.30	N/A	N/A
1978.1	6.18	6.88	N/A	N/A
2	6.42	7.49	N/A	1.60
1979.1	6.84	8.15	N/A	9.35
2	7.39	7.79	N/A	9.32
1980.1	8.58	10.91	N/A	9.32
2	8.54	9.07	N/A	8.74
1981.1	9.83	10.26	N/A	9.17
2	11.02	12.52	N/A	11.23
1982.1	10.81	12.91	N/A	9.41
2	10.40	13.53	1.28	14.25
1983.1	9.16	12.70	1.90	9.24
2	9.41	11.83	2.57	33.24
1984.1 ^d	9.39	10.98	3.85	N/A
2	9.33	9.87	3.85	N/A
3	9.60	11.37	3.85	N/A
4	9.70	11.85	3.85	N/A
1985.1	9.12	10.99	3.85	N/A
2	8.78	10.83	3.37	N/A
3	8.56	10.78	3.30	N/A
4	8.26	10.15	2.83	N/A

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1985.

Notes: ^aThe average interest rates paid on liabilities shown above are calculated by dividing each expense type by the corresponding liability type. These numbers can be affected by the timing of changes in the stocks and flows involved, as well as by the small numbers found in some categories. This is particularly true when looking at subsets of the industry. We are reporting only those numbers that appear somewhat reliable. Caution should be exercised in using these numbers, especially for liability categories other than deposits.

^bSee table II.2, note ^a for a description of our set of Net Worth Certificate Participants.

^cData are available semiannually through 1983.

^dData are available quarterly during 1984 and 1985.

Table II.23

Average Interest Rates Paid by
Eligible Nonparticipants (1977-1985)^a

<u>Period</u>	<u>Deposits</u>	<u>FHLB advances</u>	<u>Subordinated debentures</u>	<u>Mortgage-backed securities</u>
1977.2 ^b	6.24	6.44	8.61	N/A
1978.1	6.26	6.71	7.52	6.38
2	6.46	7.16	8.75	8.74
1979.1	6.89	8.17	8.60	8.51
2	7.47	8.50	8.76	7.16
1980.1	8.73	10.53	8.78	8.74
2	8.83	9.16	8.78	9.24
1981.1	10.22	10.31	8.75	10.74
2	11.41	12.85	10.37	10.45
1982.1	11.11	12.30	9.12	N/A
2	10.57	13.06	9.05	N/A
1983.1	9.35	11.79	8.12	11.35
2	9.43	11.23	N/A	10.56
1984.1 ^c	9.54	11.29	10.92	13.72
2	9.50	10.91	N/A	13.31
3	9.86	11.39	N/A	10.15
4	9.97	11.75	7.99	12.74
1985.1	9.44	11.07	12.82	12.12
2	9.12	10.72	8.47	8.80
3	8.84	10.55	11.55	14.03
4	8.54	10.28	11.41	13.78

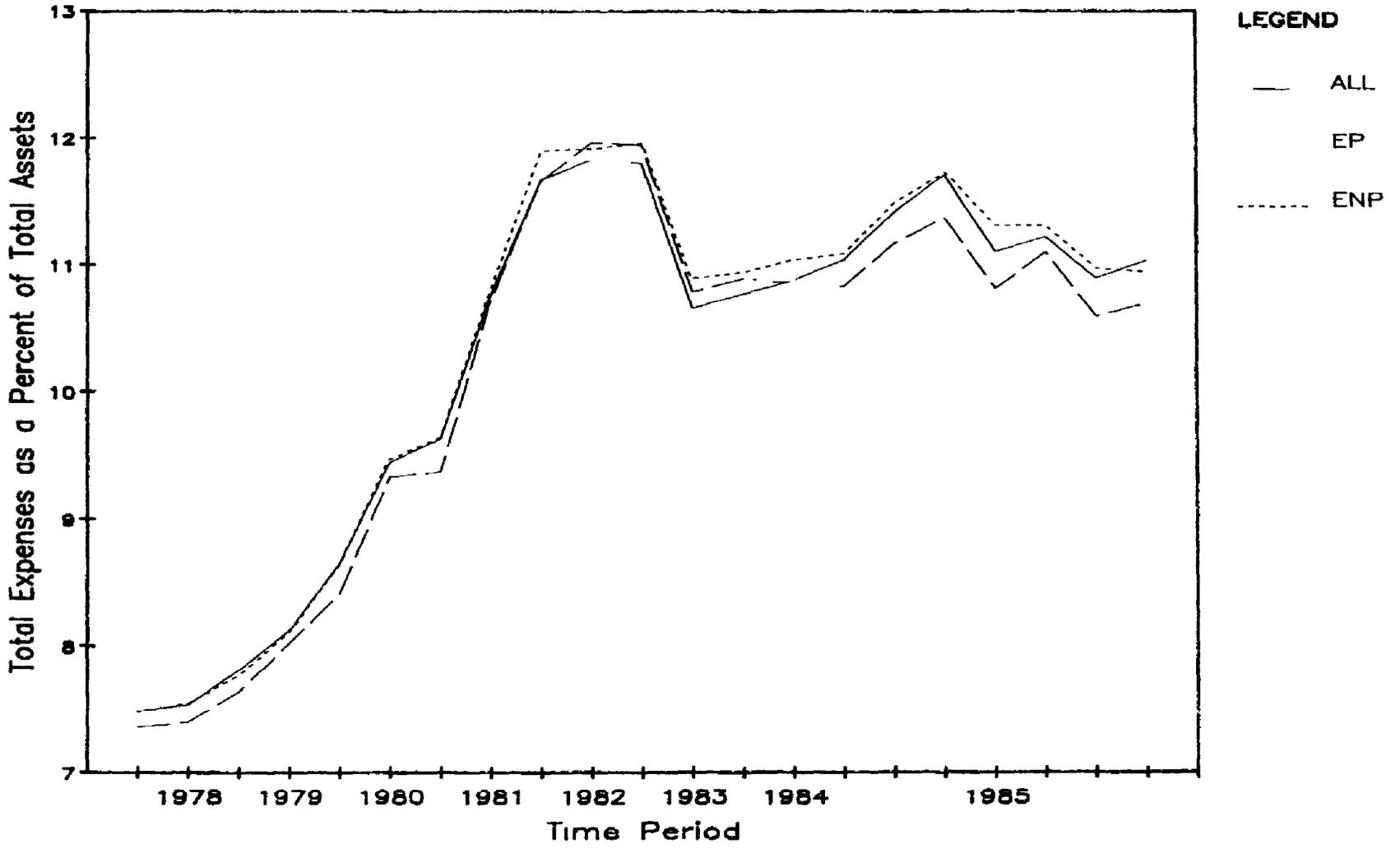
Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1985.

Notes. ^aThe average interest rates paid on liabilities shown above are calculated by dividing each expenses type by the corresponding liability type. These numbers can be affected by the timing of changes in the stocks and flows involved, as well as by the small numbers found in some categories. This is particularly true when looking at subsets of the industry. We are reporting only those numbers that appear somewhat reliable. Caution should be exercised in using these numbers, especially for liability categories other than deposits.

^bData are available semiannually through 1983.

^cData are available quarterly during 1984 and 1985.

Figure II.23
TOTAL EXPENSES AS A PERCENTAGE OF TOTAL ASSETS
(Total Expenses at Annual Rates)



Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1985

Table II.24

Profitability of All FSLIC-Insured Institutions (1977-1985)

	Income at Annual Rates as Percentages of Total Assets				
	Net income ^a	Net operating income ^b	Net nonoperating income ^c	Operating income ratio ^d	Nonoperating income ratio ^e
1977.2 ^f	0.79	1.14	0.00	1.16	1.04
1978.1	0.80	1.17	0.00	1.16	1.02
2	0.82	1.21	0.00	1.16	0.96
1979.1	0.69	0.98	0.02	1.13	1.47
2	0.65	0.90	0.02	1.11	1.26
1980.1	0.17	0.18	0.08	1.02	2.39
2	0.10	0.09	0.05	1.01	1.65
1981.1	-0.48	-0.70	0.10	0.94	2.68
2	-0.95	-1.51	0.21	0.87	3.97
1982.1	-0.97	-1.47	0.21	0.88	2.92
2	-0.27	-1.15	0.66	0.90	3.91
1983.1	0.30	-0.11	0.48	0.99	3.65
2	0.23	0.10	0.20	1.01	1.91
1984.1 ^g	0.16	0.04	0.20	1.00	2.24
2	0.30	0.37	0.06	1.03	1.21
3	0.05	0.04	0.06	1.00	1.21
4	0.25	0.06	0.28	1.01	1.68
1985.1	0.21	0.12	0.21	1.01	1.87
2	0.48	0.39	0.31	1.04	1.68
3	0.40	0.48	0.13	1.05	1.29
4	0.44	0.44	0.27	1.04	1.41

Source: FHLBB Semiannual and Quarterly Financial Reports 1977-1985.

Notes: ^aNet income is total income less total expense.

^bNet operating income is operating income less operating expense and interest charges.

^cNet nonoperating income is nonoperating income less nonoperating expense.

^dThe operating income ratio is the ratio of operating income to operating expense and interest charges.

^eThe nonoperating income ratio is the ratio of nonoperating income to nonoperating expense.

^fData are available semiannually through 1983.

^gData are available quarterly during 1984 and 1985.

Table II.25

Profitability of Net Worth Certificate
Eligible Participants (1977-1985)^a

	Income at Annual Rates as Percentages of Total Assets				
	Net income ^b	Net operating income ^c	Net nonoperating income ^d	Operating income ratio ^e	Nonoperating income ratio ^f
1977.2 ^g	0.57	0.76	-0.01	1.11	0.94
1978.1	0.58	0.82	-0.01	1.11	0.71
2	0.57	0.80	-0.05	1.11	0.53
1979.1	0.44	0.56	0.02	1.07	1.85
2	0.36	0.44	0.02	1.05	1.40
1980.1	-0.22	-0.34	0.11	0.96	4.93
2	-0.21	-0.46	0.09	0.95	3.24
1981.1	-1.11	-1.38	0.10	0.87	3.32
2	-1.59	-2.22	0.20	0.82	6.43
1982.1	-1.84	-2.24	0.11	0.82	1.87
2	-1.54	-2.09	0.45	0.82	4.07
1983.1	-0.50	-0.94	0.43	0.91	3.33
2	-0.52	-0.66	0.13	0.94	1.46
1984.1 ^h	-0.52	-0.61	0.09	0.94	1.66
2	-0.14	-0.16	0.02	0.98	1.12
3	-0.48	-0.40	-0.06	0.96	0.69
4	-0.19	-0.31	0.16	0.97	1.65
1985.1	-0.17	-0.21	0.05	0.98	1.27
2	0.36	0.13	0.27	1.01	1.42
3	0.31	0.41	-0.07	1.04	0.86
4	0.44	0.49	0.02	1.05	1.03

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1985.

Notes ^aSee table II.2, note ^a for a description of our set of Net Worth Certificate Participants.

^bNet income is total income less total expense.

^cNet operating income is operating income less operating expense and interest charges.

^dNet nonoperating income is nonoperating income less nonoperating expense.

^eThe operating income ratio is the ratio of operating income to operating expense and interest charges.

^fThe nonoperating income ratio is the ratio of nonoperating income to nonoperating expense.

^gData are available semiannually through 1983.

^hData are available quarterly during 1984 and 1985.

Table II.26

Profitability of Eligible Nonparticipants (1977-1985)

	Income at Annual Rates as Percentages of Total Assets				
	Net income ^a	Net operating income ^b	Net nonoperating income ^c	Operating income ratio ^d	Nonoperating income ratio ^e
1977.2 ^f	0.68	0.98	-0.01	1.14	0.86
1978.1	0.68	1.04	-0.04	1.14	0.52
2	0.73	1.06	-0.02	1.14	0.78
1979.1	0.60	0.84	0.02	1.11	1.42
2	0.55	0.75	0.01	1.09	1.22
1980.1	0.08	0.07	0.07	1.01	1.82
2	0.00	-0.08	0.08	0.99	2.00
1981.1	-0.59	-0.88	0.11	0.92	2.67
2	-1.18	-1.75	0.13	0.86	2.46
1982.1	-1.28	-1.77	0.16	0.85	2.73
2	-0.51	-1.48	0.79	0.88	5.54
1983.1	0.23	-0.48	0.74	0.96	4.95
2	0.04	-0.16	0.21	0.99	1.86
1984.1 ^g	0.02	-0.23	0.29	0.98	2.56
2	0.12	0.06	0.12	1.01	1.42
3	-0.06	-0.21	0.19	0.98	1.74
4	0.18	-0.23	0.40	0.98	1.92
1985.1	-0.01	-0.16	0.21	0.99	1.58
2	0.51	0.16	0.49	1.01	2.10
3	0.29	0.27	0.16	1.03	1.36
4	0.33	0.16	0.32	1.02	1.56

Source: FHLBB Semiannual and Quarterly Financial Statements, 1977-1985.

Notes: ^aNet income is total income less total expense.

^bNet operating income is operating income less operating expense and interest charges.

^cNet nonoperating income is nonoperating income less nonoperating expense.

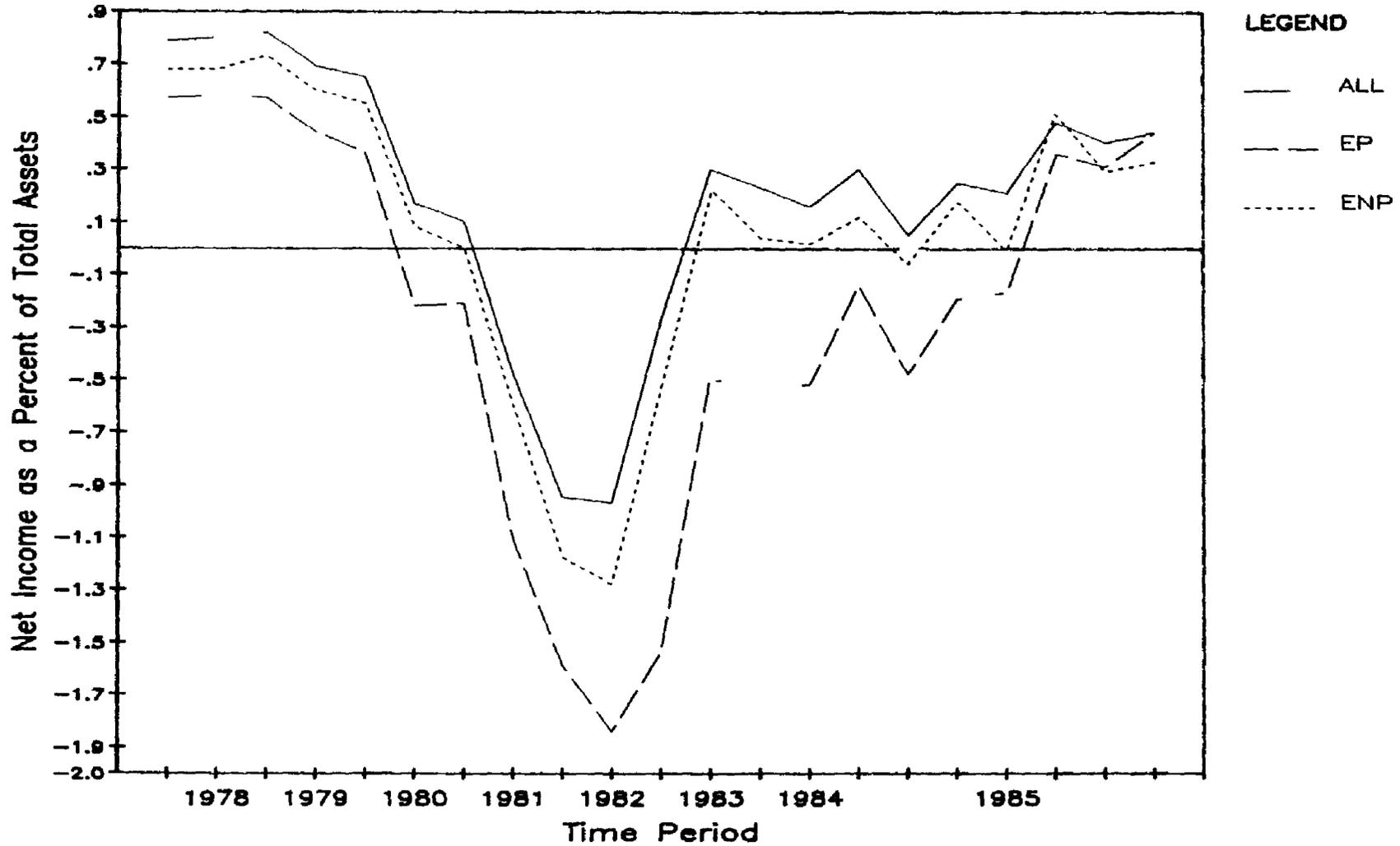
^dThe operating income ratio is the ratio of operating income to operating expense and interest charges.

^eThe nonoperating income ratio is the ratio of nonoperating income to nonoperating expense.

^fData are available semiannually through 1983.

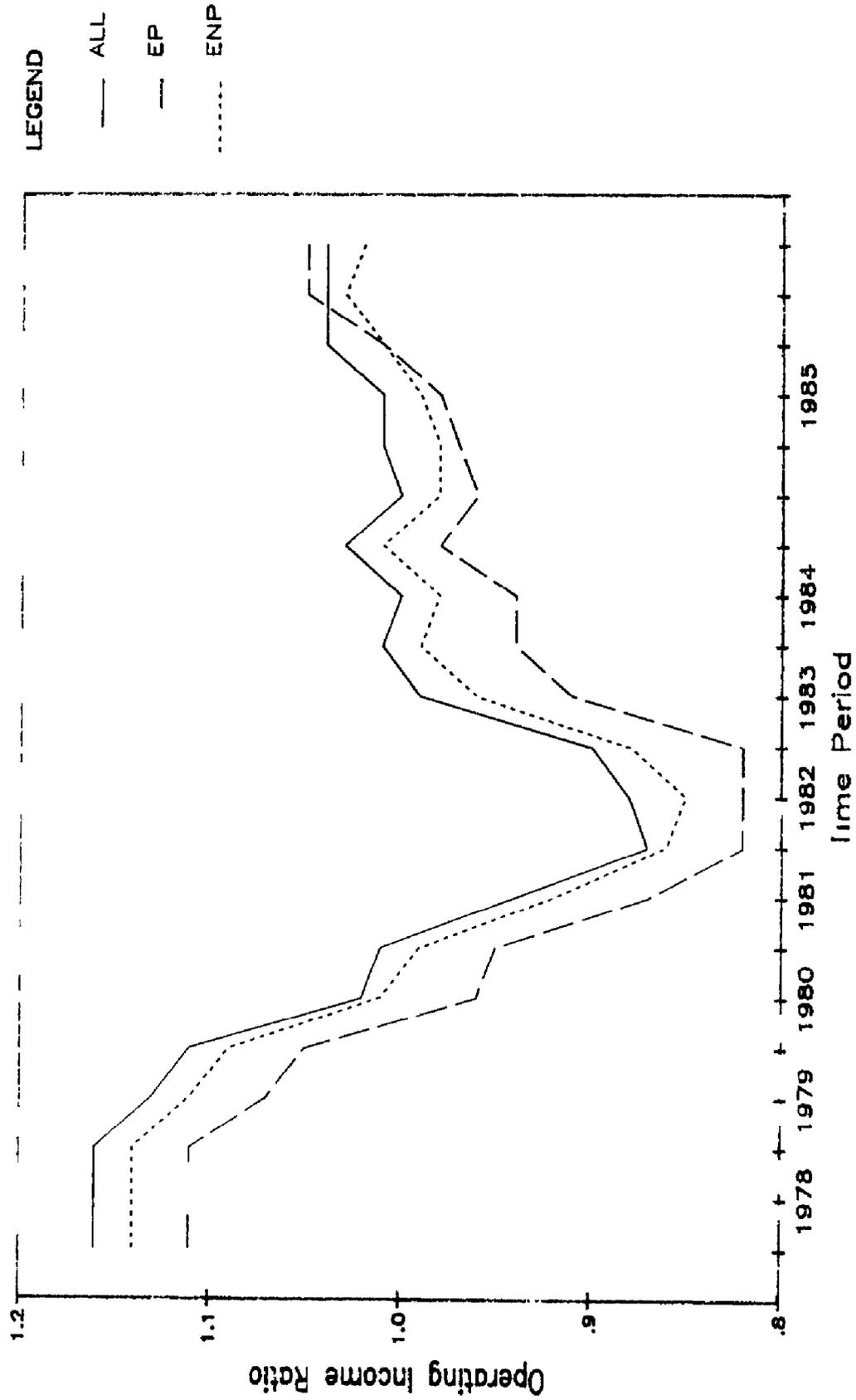
^gData are available quarterly during 1984 and 1985.

Figure II.24
NET INCOME AS A PERCENTAGE OF TOTAL ASSETS
(Net Income Figures at Annual Rates)



Source: Tables II.24, II.25, and II.26

Figure II.25
RATIO OF OPERATING INCOME TO
OPERATING EXPENSES AND INTEREST CHARGES



Source: Tables II.24, II.25, and II.26

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